CONTRACT Between Sverdrup Technology, Inc. and Air Engineering Metal Trades Council and Affiliated Unions AFL-CIO.

Second Printing

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CONTRACT

This contract is made and entered into by and between Sverdrup Technology, Inc., AEDC Group, its successors or assigns (herein referred to as the Company) and Air Engineering Metal Trades Council and Affiliated Unions, AFL-CIO (herein referred to as the Union).

ARTICLE I APPLICATION AND PURPOSE OF CONTRACT

Section I. Application. This contract applies to the employees in the recognized bargaining unit located at the Arnold Engineering Development Center, Arnold Air Force Base, Tennessee, for those operations contracted to the Company by the United States Air Force. This contract applies to those wage employees of Sverdrup Technology / AEDC group who are permanently assigned to Arnold Air Force Base, TN whether they are temporarily assigned to work inside or outside the confines of the Arnold Engineering Development Center Arnold Air Force Base, Tennessee.

Section 2. Purpose. The purpose of this contract is to set forth the agreement between the Company and the Union, who are signatory hereto, as to the rates of pay, hours of work, and other conditions of employment to be observed by the parties, except as it may be amended hereafter by written agreement of the parties.

ARTICLE II RECOGNITION

Section 1. Recognition. The Company recognizes the Union as the exclusive Bargaining Agent with respect to rates of pay, wages, hours, and other conditions of employment for the employees of the Company in the recognized Bargaining Unit as set forth below.

The recognized Bargaining Unit consists of all of the Company's opcrations, maintenance, repair, modification and service employees within the classifications as set forth in Exhibit A, attached hereto, and any new or revised job classifications as may be established in Article IX, Section 2, of this contract. In the future if work is added to Effort T contract which is work normally performed by an AEMTC craft not currently covered by this contract (for example Carpenter work) that AEMTC craft will be recognized under this agreement in accordance with Article IX, Section 2.

Excluded from the Bargaining Unit are all administrative employees, technical employees, draftsmen, technical assistants, photographers, office/clerical employees, professional employees, co-op education students, guards and supervisory employees as defined in the Labor-Management Relations Act.

The parties agree, coach, as used in this agreement is a term designated by the Company to replace the word supervisor.

A Bargaining Unit employee, at the time he is hired, will be notified by the Company that the Union is recognized by the Company as the exclusive Bargaining Agent for the employees in the Bargaining Unit.

The Company will notify the appropriate Chief Steward of any new hire(s) into the Bargaining Unit within his seniority group.

No outside business activities will be conducted at AEDC, and no employee may perform work for another contractor/subcontractor currently engaged in work at AEDC. When job openings are declared by the Company, the appropriate Chief Steward and the Air Engineering Metal Trades Council (AEMTC), shall be notified electronically and in writing of approved position(s). Those openings will be filled in accordance with Article V of this contract. Recommendations received from the Chief Stewards in a timely manner will receive consideration.

Additionally, as part of a new employee's first day processing, the respective Chief Steward shall be allowed a brief introduction meeting.

Section 2. Anti-discrimination. There shall be no discrimination, interference or coercion against any employee because of membership or non-membership in the Union by the Company or any of its agents, and the Union likewise agrees that there shall be no discrimination, interference or coercion against any employee of the Company due to membership or non-membership in the Union.

Section 3. Equal Employment Opportunity. The Company and the Union agree to provide equal employment opportunity and affirmative action. The Company and the Union will comply with Executive Order 11246 and Title VII of the Civil Rights Act, and the Vietnam Era Veterans Readjustment Act of 1974.

Section 3a. Gender Neutral. Whenever the masculine gender is used in this agreement, it shall also refer to the female gender Section 4. Checkoff of Union Membership Dues. The Company agrees to deduct uniform Union membership dues by class of membership from the wages of each employee who furnishes the Company with a written assignment and authorization to deduct such dues from his wages each month and to remit such membership dues to the Union. Such check-off of membership dues shall continue so long as the employee is continuously a member of the Bargaining Unit, on the payroll, and unless withdrawn in writing by the employee effective as of the first day of March of any year within the life of this contract, or successive contracts, upon the Company's receipt of a written notice from the employee within a fifteen (15) day period immediately preceding the first day of March. The written notice from the employee shall be counter-signed by the Chief Steward and addressed to the Company with a copy to the Air Engineering Metal Trades Council by registered mail. An employee, at any time, may change his authorization for membership dues deductions from one class of dues to another class of dues within the Union. The dues assignment and authorization form shall read as follows: TO: Sverdrup Technology, Inc., AEDC Group ASSIGNMENT AND AUTHORIZATION OF UNION MEM-BERSHIP DUES ____, badge number _ , a member of a local Union affiliated with the Air Engineering Metal Trades Council, AFL-CIO of Tullahoma, Tennessee, and an employee in the Bargaining Unit hereby cancel any and all authorizations heretofore given to you to deduct any Union Membership dues from my earnings. I hereby assign to the Air Engineering Metal Trades Council, AFL-ClO, during the time that I am continuously an employee in the Bargaining Unit on the payroll of Sverdrup Technology, Inc., AEDC Group, such an amount as the Air Engineering Metal Trades Council, AFL-CIO, certifies in writing to the Company to be the periodic membership dues of my local Union. I authorize you to deduct such amount from my wages on the last pay day of each month as dues for the following month, and to remit the same on my account to the proper officials of, and designated by the Air Engineering Metal Trades Council, AFL CIO. In addition to the foregoing, deduct \$_____ for the

Date:	
Signed:	
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- Section 5. Company Recognition. The Union recognizes that the Company shall exercise the exclusive responsibility for the operation, maintenance and management of the work and areas which Sverdrup Technology, Inc., AEDC Group, its successors and assigns, under contract with the United States Air Force, is currently operating or may acquire during the duration of this contract, at the Arnold Engineering Development Center. Such responsibility shall include the right to select, assign, and direct the working forces, determine job content, qualifications of employees to perform work, and the right to adopt and enforce reasonable rules and regulations for efficient operation, provided that the Union rights set forth in this contract, including the use of the grievance procedure and arbitration, shall not be abridged, curtailed, or modified by this clause.
- Section 6. Outsourcing Work. The Company has the option of outsourcing work including a portion of Model Shop and investment project work. Outsourcing may be used to accomplish work outside the capabilities of AEDC, accomplish work with high environmental risk, provide work on a more cost competitive basis, provide cost benchmarking data, and help stabilize the work force. The following factors will be considered before any work typically performed by the bargaining unit is outsourced:
 - Ability of an outside vendor to adequately meet the technical and quality requirements of the job.
 - The likelihood that the job schedule will or will not be met if work is performed outside.
 - The capability of AEDC to do the work.
 - Troubleshooting and/or repair of system components when the root cause of the problem is unknown.
 - Field routing of systems or jobs with limited drawings and/or specifications.
 - The availability of personnel resources to accomplish the work considering overtime usage and job schedule/duration.

- The level of facility security clearance or the level of sensitivity for customer information required to perform the work.
- Cost of job if performed by the Model Shop as compared to that of an outside vendor.
- Need to provide work for existing on-base personnel.

To facilitate craft involvement, the Chief Craftsman Council along with the affected Chief Stewards, will be briefed monthly on the status of Model Shop and Investment Project Work which is being outsourced or planned for outsourcing. In making outsourcing decisions, the Company will give careful consideration to any suggestions or alternatives provided by the Union given the constraints noted above.

ARTICLE III GRIEVANCE PROCEDURE

Section 1. Stewards and Grievance Committee. The Company agrees to recognize a reasonable number of properly certified stewards and Chief Stewards of the Union for the purpose of representing employees in the grievance procedure or for the purpose of giving advice concerning potential grievances. Chief Stewards, the President and Secretary of the Council, the Labor-Management Safety Committee, Labor-Management Committee, Apprenticeship Committee, Training Committee, Grievance Committee and Insurance/Pension Committee shall work the day shift Monday through Friday (except for the optional four (4) day work week schedule). During the period that an employee is holding the office as a Chief Steward for the Union or is holding the office of President or Secretary of the Council, he shall be placed at the top of the seniority list of employees within his seniority group. At the end of his term of office, he shall be returned in seniority to his proper place on the seniority list as determined by Article V of this contract. The Company will not be required to lay off ex-Union officers and recall more senior employees who were laid off while the ex-Union officer was at the top of the seniority list. Job Stewards shall not be transferred from the shift or work area in which they represent employees unless there is no work in their classification which they can perform.

- Council President and Recording Secretary shall not be transferred from their work area unless there is no work in their classification, which they can perform.
- The Company also agrees to recognize a Union Grievance Committee who shall be selected by the Union. The Union Grievance Committee will function in the adjustment of grievances.
- The Union shall notify the Company in writing of any changes in personnel of the stewards, President or Secretary of the Council, Labor-Management Safety Committee, Labor-Management Committee, Apprenticeship Committee, Training Committee, Grievance Committee and Insurance/Pension Committee.
- Section 2. Discussion. Any employee having a complaint shall, with or without his steward, discuss the matter with the immediate Coach in the section where the alleged violation occurred. In the absence of the affected employee, the employee's steward shall represent him concerning said complaint. If the complaint is not satisfactorily adjusted by the Coach, it may be considered a grievance and be referred to the grievance procedure. This Section will not be considered part of the grievance procedure.
- Section 3. Grievance Procedure. Any grievance arising under the terms of this contract or an alleged violation thereof shall be handled in the following manner:
 - Step 1. An employee, or group of employees, having a grievance shall first take the matter up with the steward, who shall attempt to adjust the matter with the Coach in the section where the alleged violation occurred or his designated representative. Unless settlement is reached within three (3) working days, the grievance may be carried to Step 2.
 - Step 2. If processed to this step, the issue will be reduced to writing on a form mutually agreeable to the Company and the Union and submitted by the Union to the Manager or his designated representative who will hold a hearing within five (5) working days after receipt of the form, with a Union committee consisting of the Chief Steward, the Job Steward, one (1) employee, and one

(1) member of the permanent grievance committee. If a Labor Relations representative is to be present at the hearing, the Union will be represented by a principal officer of the Council. An answer will be given in writing to the Union with a copy to the Chief Steward and a copy to the Job Steward within five (5) working days after the hearing. Failing satisfactory adjustment, the matter will be referred to Step 3.

Step 3. If processed to this step, the written grievance will be referred to the Labor Relations Administrator for final hearing and possible settlement by the designated Company representatives and the Union grievance committee. A hearing will be held within seven (7) working days after requested. An answer will be given in writing addressed to the Secretary of the Council with a copy to the Chief Steward and Job Steward within seven (7) working days after the hearing. If no agreement is reached, the matter may be referred to arbitration in accordance with Article IV.

In order to expedite the procedure, grievances settled in the first step of the grievance procedure will not be held as establishing precedent for future grievances.

It is understood that the provisions of the Labor-Management Relations Act shall be applicable to the above described grievance procedure.

NOTE: After receiving payment from the trustees of the Retirement Plan the retired person will have seven (7) days to grieve concerning error in payment.

Section 4. Time Limits. Any grievance not taken up with the immediate Coach in the area in which the alleged violation has occurred within five (5) working days after the occurrence of the incident complained of cannot be processed through the grievance procedure. A grievance will be considered settled if the decision of the Company is not appealed to the next higher step in the above procedure within seven (7) working days after a decision has been rendered by the Company. All time limits noted in this Article are exclusive of Saturdays, Sundays, and holidays. Extensions may be made by mutual agreement.

On grievances involving monetary items, time limits do not begin until checks covering said alleged violations are received by the employees. The Union's failure to carry a grievance from one step to another or to arbitration shall be without prejudice to its right to process the same subject matter, although not the very same case, in another grievance. In the event the Company does not answer a grievance within the time limits, the grievance may be processed to the next step in the procedure, to Mediation and/or arbitration, as the case may be. In order to ensure timely review, a third-step meeting will be held monthly, if necessary, to hear any open third-step grievances advanced by the Union. In the event an employee is to be discharged for cause, the Company shall notify his Chief Steward immediately. If the Chief Steward does not agree, the Union may within seven (7) working days file a grievance in the third-step of the grievance procedure. The issue of timeliness of any grievance must be raised at the earliest possible time in the grievance procedure, but in no event later than the third step hearing. Section 5. Pay for Grievance Time. Stewards and other employees who are members of the Union Grievance Committee may assist in the settling of grievances under this Article without loss of pay, provided they arrange with their Coach to leave work for the purpose of handling a grievance. Grievance hearings shall be scheduled during the grievant's work shift. Members of the Union Grievance Committee will not receive pay for attending grievance hearings held at times other than during their work shift. ARTICLE IV ARBITRATION/MEDIATION Section 1. Arbitration Procedure. Any controversy which has not been satisfactorily adjusted under the grievance procedure and

which involves

- the discharge of an employee, or
- b. the interpretation or application of the provisions of this contract, or
- c. an alleged violation of the contract may be submitted for settlement to the arbitrator within fifteen (15) working days after the final action taken under the third step of the grievance procedure.

All of the names of current active members of the Federal Mediation and Conciliation Service (FMCS) roster of arbitrators in the geographical areas of forty-one (41) and fifty-one (51) are to be placed into a selection pool. The parties will alternately draw one (1) name from the pool until five (5) names have been drawn. The parties will then alternately strike names until one (1) name remains.

Each party shall bear its respective expenses, and the expenses incident to the services of the arbitrator shall be borne equally by the Company and the Union.

The arbitrator shall be requested by the Company and the Union to render a decision within thirty (30) calendar days after the arbitration hearing.

The decision of the arbitrator shall be final and binding on both par-

ties.

The arbitrator shall not have the power to add to, to disregard, or to modify any of the terms of this contract.

When either party receives the list of arbitrators, they shall contact the other party and inform them of such receipt. If an arbitrator is not selected within thirty (30) calendar days of such contact or a new list of arbitrators is not requested, the grievance will be considered withdrawn.

Section 2. Mediation. If the grievance is not settled in Step 3 within seven (7) working days, the grievance shall at the insistence of either party, be submitted for mediation and conciliation. The parties shall mutually contact the FMCS requesting assistance in settling the grievance. The FMCS shall assign a Mediator to the case. The Mediator assigned shall not have the authority to

alter, vary, or add to the terms of this Agreement. If settlement is not reached the grievance may be referred to arbitration according to this article. Time limits set forth in this article shall be considered mutually extended while utilizing mediation.

ARTICLE V SENIORITY

Section 1. Seniority. The seniority of an employee shall be determined by his employment date or transfer date into the Bargaining Unit, whichever is later. By the term "seniority group" is meant one of the groups consisting of one or more job classifications listed in Exhibit A, Classification Schedule, of this contract.

On and after the effective date of this contract, the earliest time stamp on the employee's "Employment Routing," Form GC-163 will determine the greater seniority for same date hires, rehires, or transfers, and a copy of the GC-163 will be placed in the personnel file of all new hires.

When employees are transferred permanently from one seniority group to another, it shall be done by mutual agreement of the Company and the Union. Employees so transferred and who fail to qualify for the job to which they are assigned within a three-months' (3) period may be returned to their previous job classification without prejudice to their rights to later be transferred to the same or another job for which they may qualify.

The Company will provide the Council monthly summaries of the wage employees' moves to fill openings through permanent promotions, permanent transfers, and employees hired into the Bargaining Unit.

Section 2. Loss of Seniority. Seniority shall be lost by an employee under the following circumstances:

- a. When he is discharged by the Company.
- b. When he quits the service of the Company upon his own volition
- c. When he does not properly report when recalled from layoff, as set forth in Section 9 of this Article.

d. When he is not recalled during a period of thirty-six (36) consecutive months after being laid off.

The Company will extend the recall rights of all employees currently in layoff status, who are eligible for recall and not actively working for Sverdrup Technology Inc., AEDC Group at the Arnold Engineering Development Center, as of September 30, 2000, until the end of this labor agreement.

e. When a Bargaining Unit employee who is on a leave of absence as an officer or representative of a Union fails to return to work at the completion of his authorized leave of absence as provided for in Article VI.

Section 3. Probationary Employees. A new permanent employee shall be considered a probationary employee for the first three (3) consecutive calendar months of employment in a single seniority group and at the end of this period, if he is retained, his name shall be placed on the seniority list and his seniority shall start from the original date of hire.

The Company and the Union may mutually agree to extend this provision for a period of up to thirty (30) calendar days with the additional period being taken into consideration in determining the employee's seniority date.

A probationary employee shall be allowed to participate in all fringe benefits.

The Chief Steward shall be notified in the event the sixty-day (60) review of a probationary employee indicates that his performance is not satisfactory, and in the event of discharge of a probationary employee the Chief Steward shall be notified of the reason for said discharge.

The termination of employment of an employee during the probationary period shall not be subject to the grievance procedure.

Section 4. Seniority List. The Company agrees to compile and furnish every four (4) months to the Council copies of a seniority list showing the seniority of each employee in the Bargaining Unit and employees with return rights to higher job classifications.

Employees shall have fifteen (15) days following the posting of the seniority list or following return from leave or vacation to raise objections as to the correctness of the list. Additionally, the Company will provide within three (3) months after the signing of this contract an employee list identifying all classifications for which they may be eligible in accordance with provisions of Section 8 of this Article. This list will be updated once each year for the duration of the contract.

Section 5. Seniority Status Outside the Bargaining Unit. A Bargaining Unit employee who is promoted or transferred to a position outside the Bargaining Unit will continue to accumulate seniority for a period of six (6) months following the date of his promotion or transfer. Should the employee remain in a Non-Bargaining Unit position beyond the six-months' (6) period, he will lose all seniority accumulated under the contract.

Section 6. Promotions. Promotions of employees within the Bargaining Unit shall be made on the basis of the necessary qualifications to perform the work and seniority. If qualifications to perform the work of the job classification are considered equal, the senior employee shall be given preference. Should the Union disagree with the Company's selection of the employee who is promoted under this section of the contract to the extent the matter is processed to arbitration, the burden of proof will rest with the Company. Any Bargaining Unit employee who is temporarily promoted out of the Bargaining Unit in the future shall have all rights under this contract.

Section 7. Filling of Vacancies. In case there is no one in a seniority group qualified for promotion under Section 6 of this Article, the Company may fill vacancies in the following manner:

- (1) Promote from within the Bargaining Unit.
- (2) Hire from outside the Bargaining Unit.

Section 8. Layoffs. When decreasing the work force, probationary employees, apprentices, trainees and interns shall be the first to be laid off from the affected seniority group. When it becomes necessary to lay off employees in any seniority group, the employees with the least seniority shall be laid off first.

An employee scheduled to be laid off shall be given an opportunity to accept an assignment into one of the classifications, to which he has previously been assigned in a different seniority group, provided his seniority exceeds that of any employee in his previously assigned classification.

If a job opening later occurs in the employee's seniority group from which he was laid off, he shall be recalled to said seniority group if his seniority exceeds that of other employees having recall rights to that seniority group.

Section 9. Recalling. Recalling shall be in reverse order of layoffs within a seniority group. The recalled employee shall return to the former classification held at the time of lay off.

Employees being recalled shall be notified by registered mail, return receipt requested, mailed to the last address on record in the Company's files. If the Company does not receive a reply from the employee to said letter within six (6) days from the date of its delivery, as shown on the registered mail receipt, in which the employee agrees to report for work within two (2) calendar weeks after he has received said notification, or if the Post Office returns said letter to the Company because the addressee has moved, or the employee does not report for work on the date he agreed to report as provided in this section, the employee will be considered to have forfeited all recall rights, unless these time limits are extended by the Company. In case of an emergency the Company may temporarily fill any vacancy. Laid off employees who are offered jobs of less than forty-five (45) calendar days' duration by the Company will not lose their seniority if they do not accept the offer. Qualified employees may be hired while laid off employees are being recalled.

Section 9a. Special Recall. In addition to the recall rights afforded laid off employees on the recall list as of September 30, 2000, the Company will consider these laid off employees for "special recall" to new bargaining unit jobs declared and posted by the Company.

Employees so affected must have the skill, ability and experience to be recalled to these open positions.

After the start date of this agreement if a new job is posted by the Company and is not filled internally, employees eligible for spe-

cial recall will be placed on a common Special Recall list in seniority order. A joint Company/AEMTC evaluation board will review the laid off employees in seniority order to determine whether or not they have the skill, ability and experience to be recalled under this section.

If the board determines an individual is qualified for the new job, the Company will issue a special recall letter notifying the laid off employee of the recall. If the employee turns down this offer, they will not be considered for special recall in the future but will retain their recall eligibility for the seniority group they were laid off from originally.

Any eligible employee recalled under this section will have performance reviews at monthly intervals (30, 60 and 90 days). If it is determined during these reviews that the employee cannot perform the essential functions of the new job he will be laid off under the same terms as probationary employees.

Any lay off under this section will not be subject to Severance Allowance if the employee fails to demonstrate his ability to perform the job in the qualifying period. This section is subject to the Right to Discontinue agreement set forth in this labor agreement.

Section 10. Seniority During Absences. Employees will continue to accumulate seniority when absent due to occupational illness or occupational accident. Employees will continue to accumulate seniority when absent due to personal illness for a continuous period of thirty-six (36) months. Seniority will also be accumulated during leaves of absence granted in accordance with Article VI of this contract, and for approved leaves of absence for other personal reasons not in excess of thirty (30) days.

Section 11. Job Posting. In the event of a new job, or a vacancy to be filled, the Company shall post on the bulletin boards a description of the job or vacancy, its location and rate of pay, and shall provide job bid forms for employees to write thereon their name and badge number for submittal to the Company. Consideration will be given any permanent employee who bids on the new job or vacancy within a period of seven (7) working days from the date of the initial posting. Employees will not be allowed to bid laterally, except as provided in Article II, Section 3.

A new job is defined as an additional permanent position within the Bargaining Unit. A vacancy is defined as a vacated position.

Requirements stated on the job posting will accurately reflect duties of the job to be filled and will be within the scope of the job classification description.

Employees temporarily absent or in layoff status may arrange with their Chief Steward to file a job bid form in their behalf.

Filling of vacancies caused by vacations, disabilities, and leaves of absence shall not be subject to the posting procedure.

Section 12. Shift Preference. The employee with the oldest seniority within a classification within a seniority group within his overtime list shall have shift preference twice each year (Union contract year) or when shift changes occur in his overtime list, whichever is sooner. The shift preference shall be effective no more than two weeks after notice is given to allow for orientation and training.

Section 13. Extended Disability. Employees are placed in an extended disability status after they have used their disability allowance and accrued vacation.

Employees who are in extended disability status will continue to accrue seniority in accordance with Section 10 of this Article; however, such employees shall neither earn, receive or accrue length of service for any other benefits nor shall such employees earn, accrue or receive vacation allowance pay, holiday pay, funeral pay or jury duty pay.

The Company will pay the same percentage of the premium cost as the current health plan employer contribution and the employee will pay the same percentage of the premium cost as the current health plan employee contribution. The Company will continue to pay the same percentage of the premium cost as the current health plan employer contribution for Bargaining Unit employees in an extended disability status (employees exhausting their disability allowance and accrued vacation) beginning with the date said employee becomes disabled and remains disabled as determined by appropriate medical authorities as set forth in the con-

- tract, but in no event longer than thirty-six (36) consecutive months from the day of disability, or until the employee reaches age 70 before the end of said thirty-six (36) consecutive month period. For employees with less than twenty-six (26) weeks of disability allowance the following will apply: if the employee's disability period continues for a longer period of time than he is to receive disability allowance pay, the Company will pay the employee's portion of the insurance premium from the date the disability allowance pay is exhausted for a maximum of twenty-six (26) weeks from the actual date the disability started.
- Section 14. Permanent Transfers. Permanent transfers, between overtime lists within a seniority group will be made by senior volunteer. The junior employee shall be transferred if there are no senior volunteers except where medical restrictions prohibit.
- Section 15. Temporary Transfers. Temporary transfers, between overtime lists within a seniority group, shall not exceed sixty (60) calendar days duration and the transfer will be made by senior qualified volunteer. The junior employee shall be transferred if there are no senior volunteers except where medical restrictions prohibit. The transferred employee(s) will return to their former overtime list at the end of the temporary assignment. Temporary transfers can be extended by mutual agreement of the Chief Steward and the Company. The request for extension shall not be unreasonably denied.

ARTICLE VI LEAVES OF ABSENCE

Section 1. Union Representatives. Accredited Union representatives shall be granted a reasonable number of leaves of absence without pay, not exceeding fifteen (15) calendar days consecutively to attend conventions or other operations. It is agreed that ten (10) days' notice of such leaves of absence will be given except in emergencies, and that not more than six (6) employees shall be absent at any one time for such purpose, except for council referendum votes, contract negotiations, or by special request of the Union; and if conditions will permit, this number may be increased by permission of the Company.

Such leaves of absence shall not affect the seniority of employees.

Section 2. Extended Leave. Any employee whose continued absence of a longer period is necessary because of his duties as an officer or representative of the Union will be given a leave of absence for the term of his office, and be renewable at the Union's request without pay for such purpose. Upon his retirement from such office, he shall be entitled to return to his old position or a position of the same class without loss of seniority, provided he reports for work within fifteen (15) days following the expiration of his leave. An employee granted such leave of absence shall return all security identification issued to him.

ARTICLE VII HOURS OF WORK AND OVERTIME

This article defines the workday, workweek, rest days, and regular work schedule and the manner in which these affect payments made to employees. Nothing in this article shall be construed as a guaranty or limitation of hours worked, nor as a restriction on the Company in adjusting the working schedule to meet operating requirements.

For the purpose of this contract, the employee's straight-time rate is the rate of pay per hour exclusive of shift differential, overtime premium, work assignment pay outlined in Article XIV, Section 4A and other forms of remuneration. The regular rate is the rate of pay per hour including applicable shift differential and work assignment pay, but excluding overtime premium and other forms of remuneration.

Section 1. Definitions.

- a. The established workweek for all employees shall be the seven (7) day period beginning at 11:00 p. m. Sunday. The work week shall end for overtime pay purposes at 11:00 p. m. Sunday, unless an employee's fifth workday has not ended.
- b. An employee's workweek shall consist of five (5) days of work (eight (8) consecutive hours each day) and two (2) rest days within the established workweek. The employee's rest days must be consecutive but may fall in two different workweeks.

- c. An employee's work schedule is the days and hours an employee is scheduled to work within his established workweek. For further details, see Section 3 of this Article.
- d. An employee's workday is a period of twenty-four (24) consecutive hours starting at the time the employee is scheduled to begin work on the first workshift in the established workweek. Each succeeding workday is a twenty-four (24) hour period beginning at the same hour of the day, except that the workday immediately preceding a rest day will end at 11:00 p. m. for employees assigned to a non-overlapping workshift.
- e. The workshift is the specific hours an employee is scheduled to work on each of the five (5) scheduled workdays in the established workweek. When an employee's scheduled workshift overlaps the calendar rest day by thirty (30) minutes or less, the time of overlap will be paid at the employee's regular rate.
- f. Rest days are those days on which an employee is scheduled off during the established workweek. The two (2) rest days may fall on any days and in different established workweeks, but will be consecutive.
- g. An overlapping shift is one in which an employee's scheduled workshift overlaps two (2) calendar days by more than thirty (30) minutes. The workday of an employee assigned to an overlapping shift is a twenty-four (24) hour period beginning at the time the employee is scheduled to begin work, on the first workshift in the established workweek. Each succeeding workday and the employees rest days are twenty-four (24) hour periods beginning at the same hour of the day, except that when an employee's work schedule is changed and the employee's second rest day falls on Sunday the second rest day will not be a twenty-four (24) hour period, but will end at 11:00 p. m. Sunday.
- h. Calendar days, for the purpose of Article VII, will be the twenty-four (24) hour period beginning at 11:00 p. m.

Section 2. Normal Hours.

- a. The day shifts (shifts with starting times between 6:00 a.m. and 8:00 a.m.) will consist of eight and onc-half (8-1/2) hours and will include a thirty (30) minute unpaid lunch period. The lunch period may be taken within thirty (30) minutes before or after the employee's normal lunch period. Lunches not observed during this one and onc-half (1-1/2) hour period at the direction of the Company will be counted as hours worked and paid at the appropriate rate.
- b. The normal second or fixed evening shift shall consist of five (5) days of eight (8) consecutive hours beginning at 3:00 p. m. Monday.
- c. The normal third or fixed late night shift shall consist of five (5) days of eight (8) consecutive hours beginning at 11:00 p. m. Sunday.
- d. Odd shifts are those shifts that are neither fixed nor rotating and may begin at irregular hours or on irregular days in the established workweek. Employees working odd shifts will be scheduled for eight (8) consecutive hours and five (5) days per week.
- c. Changes in the normal number of hours per day or per week may be made by mutual agreement of the Company and the Union.
- f. It is understood that all shifts will be posted in accordance with Section 3a.

Section 3. Work Schedules.

a. An employee's regular work schedule is his five (5) scheduled workdays within the established workweek, such schedule to be determined by the Company and posted at least by the end of the day shift on Thursday of the previous week.

Employees may be assigned to a new regular work schedule provided the new regular work schedule is properly posted without the payment of premium pay providing a minimum of twenty-faur (24) hours will elapse between the end of

their last workshift in one workweek and the beginning of their first workshift in the following workweek.

- b. A minimum of twenty-four (24) hours' notice in advance of the beginning of a new shift shall be given employees of any change in the posted hours. An employee who has not received twenty-four (24) hours' notice in advance of any shift change will be paid time and one-half (1-1/2) for the first eight (8) hours of such change Employees required to change shifts a second time within the workweek will be paid time and one-half (1-1/2) for the first eight (8) hours of the second change.
- c. When Saturday is a workday within a regular work schedule, it will be disregarded for overtime purposes, and for such purposes the first rest day within the established workweek shall be considered to be Saturday. When Sunday is a workday within a regular work schedule, it will be disregarded for overtime purposes, and for such purposes the second rest day within the established workweek shall be considered to be Sunday.
- All absences with pay shall be counted as time worked for overtime considerations.
- e. Employees may trade shifts or days off within their own job classification, with the prior approval of their respective Coach, provided that no overtime is created by the exchange of shifts or days off.

Section 4. Work Schedule Optional. Employees may be assigned to a work schedule consisting of four (4) consecutive scheduled workdays within the established workweek with each scheduled workday consisting of ten (10) scheduled hours of work. When so assigned to this schedule, hours worked over ten (10) in a workday, hours worked on the first rest day, the first eight (8) hours worked on the second rest day, or all hours worked within the workweek in excess of forty (40) shall be paid at time and one-half. Hours worked in excess of twelve (12) in a workday, hours worked in excess of eight (8) on the second rest day, and hours worked on the third rest day shall be paid at double time. Such schedule will be determined by the Company and posted at least by the end of the day shift Thursday of the previous week.

Section 5. Time and One-Half. Overtime at the rate of one and one-half (1-1/2) times the regular rate of pay shall be paid as follows: a. For hours worked in excess of forty (40) in the established workweek, or b. For the 9th, 10th, 11th, and 12th hours worked in the workday, c. For the first eight (8) hours worked on Saturday or for the first eight (8) hours worked on the employee's first rest day in the established workweek. Section 6. Double Time. Overtime at the rate of two (2) times the regular rate of pay shall be paid as follows: a. For hours worked in excess of twelve (12) during any workday, or b. For hours worked in excess of eight (8) on Saturday, or for hours worked in excess of eight (8) on the employee's first rest day in the established workweek, or c. For all work performed on Sunday, or for all work performed on the employee's second rest day in the established workweek and for those continuous hours which begin before 11:00 p. m. Sunday and continue after 11:00 p. m. Sunday, prior to the beginning of the employee's posted workshift. d. For those hours worked which are not identified as workdays or rest days. e. For all continuous hours worked in excess of twelve (12). Section 7. Holidays. The following holidays will be considered as paid holidays:

Christmas Day

Thanksgiving Day

Day after Thanksgiving

New Year's Day

Independence Day

Memorial Day

Labor Day

In addition, four consecutive days at Christmas. Company will select these days to be observed and give 60 days advance notice of days selected.

An employee's holiday will be the twenty-four (24) hour period beginning at the time the employee is scheduled to begin work on his workshift which starts during the calendar holiday.

Pay at the rate of one and one-half (1-1/2) times the regular rate of pay, in addition to holiday pay, will be paid for the first eight (8) hours worked on the above holidays. Hours worked in excess of eight (8) will be paid at the rate of two (2) times the regular rate of pay, exclusive of any holiday pay. Eight (8) hours' pay at straight time shall be given to all employees who are normally scheduled to work on the above holidays but who are not permitted work by the Company.

When a recognized holiday falls upon an employee's first scheduled rest day, the workday immediately preceding shall be observed as his holiday; when a holiday falls upon his second scheduled rest day, the next succeeding scheduled workday shall be observed as his holiday.

If a designated holiday occurs during an employee's vacation, the employee will receive eight (8) hours' pay at straight time and the holiday will not be charged against the employee's accrued vacation.

If an employee works a minimum of thirteen hundred (1300) consecutive hours, is laid off, and then recalled within ninety (90) calendar days and the employee loses holidays during the period of layoff, the Company will credit the employee with days of vacation equivalent to the number of holidays lost.

If any employee is asked and works on any negotiated holiday, they may individually choose: (1) to be paid one and one-half (1-1/2) times their regular rate of pay, plus holiday pay; or (2) to be paid one and one-half (1-1/2 times) their regular rate of pay, plus 8 hours vacation accrual.

Section 8. Call-In. An employee who is notified by the Company to report for work outside of his regular shift shall receive not less than the equivalent of three (3) hours' pay at time and one-half (1-1/2) his regular rate for such call-in; however this guaranty is not applicable under the following conditions:

- a. An employee is notified prior to the end of his previous workshift of an early starting time on the next workshift.
- b. In those instances in which an employee, having been contacted and notified to report to work at a specified time outside his regular shift, does not report at the specified time or within a reasonable period thereafter.

Section 9. Reporting for Work. Any employee who properly reports for work on his regular shift and is sent home because of lack of work shall receive a minimum of four (4) hours' pay at his regular hourly rate, unless he has been notified not to report to work at least by the end of his last regular shift. The least senior employee on duty within a classification, within an overtime list will be the first to be relieved of duty.

Section 10. Lost Time. The Company will use one-tenth (1/10) of an hour (6 minutes) as a unit in computing tardiness. If an employee clocks "in" from one (1) to six (6) minutes late, the employee will lose one-tenth (1/10) of an hour (6 minutes). For tardiness beyond six (6) minutes, the regular procedure of computing time in multiples of six (6) minute intervals will apply. Employees leaving the job early will be considered tardy on the same basis as if they reported to work late. Employees shall not be required or permitted to work during the period used in computing tardiness. The foregoing shall not be considered as a limitation on the right of the Company to take disciplinary action for repeated or unexcused tardiness.

Section 11. Exchange of Jobs Within Seniority Groups. When an employee is assigned to a higher paid job he will receive the higher rate for the time he is on the job.

Section 12. Pyramiding of Overtime. The allowance of overtime pay on any hour for which an employee receives compensation eliminates that hour from consideration for overtime pay on any other basis. If overtime worked falls under two (2) or more pay rates, the higher rate shall prevail in determining overtime pay.

Section 13. Offsetting Overtime. An employee shall not be required to take time off from his regularly scheduled normal workweek in order to offset overtime.

- Section 14. Assigning and Posting Overtime. Opportunities for overtime work assignment shall be divided as equally as reasonably practical among qualified employees who regularly perform the work during non-overtime hours.
- Overtime among employees within a classification on the overtime list will be assigned, so that the differential of overtime hours does not exceed sixty (60) hours at the end of any contract year. An overtime list and a list of overtime payments will be kept and made available to the Union for examination at any time. The Company agrees to meet at the request of the Union when the overtime list indicates that steps should be taken to narrow the differential and to reduce excessive overtime.
 - If, at the end of the Contract year, the differential between the high and low man exceeds sixty (60) hours within a classification within an overtime list, the low man or men shall be paid overtime pay to be credited as overtime hours worked to the extent necessary to reduce the differential to allowable limits
- Employees working overtime hours during temporary assignments outside of the confines of Arnold Air Force Base, TN will be removed from the applicable overtime list. Upon returning to work from such temporary assignment he will be replaced on the overtime list in the relative position to the high man (the same differential of hours) as he held prior to his temporary assignment.
- A new employee, at the end of his probationary period, will be charged with the same amount of overtime hours as the highest man within his classification, on his overtime list.
- Employees accumulating high levels of overtime while working on special security projects shall not be considered in tabulating the end of contract year differential in overtime hours unless the overtime distribution has returned to an equitable level with other employees within the classification within the overtime list.
- A temporary Coach will not be offered Bargaining Unit overtime, unless he is physically located four (4) hours prior to the end of the shift back into the Bargaining Unit. A temporary Coach shall be returned to the craft overtime list in relative position at the end of the temporary Coach assignment.

Employees who are reassigned will be placed in the relative position to the high man (the same differential of hours) on the new overtime list as they held in their previous overtime list. If the reassigned employee was high on the old overtime list, he will be placed on the new overtime list as high man by the same differential of hours over the next high man. Employees who work as many as four (4) hours and are physically located on the new overtime list at the end of their workshift will remain on the new overtime list on their next scheduled shift.

If an employee is offered overtime and refuses, for any reason, he will be charged on the overtime list for the hours refused.

If it is necessary, after first offering the overtime to all the employees on the overtime record, to direct the low employee on the overtime record to work; he will be charged for the hours refused in addition to the hours that he is directed to work.

An employee who is absent because of illness or a disability will not be offered overtime and will be removed from the applicable overtime list. Upon returning to work from such illness or disability he will be replaced on the overtime list in the relative position to the high man (the same differential of hours) as he held prior to becoming ill or disabled. An employee who incurs a limitation because of an illness or disability which prohibits overtime assignments will not be offered overtime and will be removed from the overtime list during such restriction. When able to work overtime, he will be replaced on the overtime list in the relative position to the high man (the same differential of hours) as he held prior to becoming ill or disabled. An employee whose restriction does not prohibit overtime assignments will be offered overtime. The determination as to whether an employee with a restriction can or cannot accomplish a particular overtime assignment shall be made by the Coach.

An employee who is instructed by his Coach to work unscheduled overtime after the end of his shift will be offered a minimum of one (1) hour. If the work is completed in less than one hour, the employee may elect to clock out and be paid for time worked.

Overtime hours, before they are posted on the overtime record, will be translated into the equivalent straight-time hours to the nearest one-tenth (1/10) hour, i. e., one (1) hour paid at double

- time will be posted as two (2) hours. Hours worked on holidays are not overtime and will not be posted as such on the overtime list. All hours worked on holidays shall be offered on the basis of seniority within an overtime list.
- Employees who have scheduled four (4) or more hours of vacation will not be asked to perform overtime work during this period. Employees who have scheduled at least four (4) hours vacation at the end of a shift will not be offered overtime until he properly reports for the next scheduled work shift. An employee who has scheduled at least four (4) hours of vacation at the beginning of a shift will not be offered overtime from the end of his last scheduled workshift prior to the scheduled vacation until he properly reports for his next scheduled workshift.
 - However, if the employee has scheduled vacation, he may elect to be available for overtime and notify his Coach of such at the time of his scheduling of vacation. If the employee subsequently refuses such offered overtime, he will be charged according to paragraph 9 of Section 14.

ARTICLE VIII VACATIONS

- Section 1. Vacations. Employees shall receive vacations in accordance with their Company service. Time spent in layoff, leave of absence exceeding thirty (30) days, and other separations from the payroll will not be computed in determining length of Company service.
- Employees will be credited with vacation on a monthly basis for each month of employment. Vacation hours not earned can only be advanced to the employees by special agreement with the Company and no employee will be allowed to schedule vacation until after three (3) months of employment. The maximum accrual at each year's end will be 240 hours; the maximum accrual throughout the year is not to exceed 280 hours at the end of each month and must be down to the 240 hour yearly maximum by year end for the life of this agreement. Any accrual above these amounts will no longer be available for use or pay. Employees will accrue vacation on a monthly basis in accordance with the following schedule.

Years of	Accrual per
Company Service	Month of Employment
0 to less than 5	8 hours
5 to less than 10	9 hours
10 to less than 15	11 hours
15 to less than 20	13 hours
20 to less than 25	14 hours
25 to less than 30	15 hours
30 and over	16 hours

- a. The Company will schedule a portion of each employee's vacation hours as indicated below, and the employee will schedule the remaining hours as agreed to by the Company on a case-by-case basis:
 - 1. The Company will not schedule:
 - a.) Any vacation hours that employees accrued before calendar year 1979. In addition, these hours will not be subject to restrictions in connection with carry-over hours.
 - b.) Vacation hours earned during the calendar year when the number is less than one hundred twenty (120).
 - The Company will schedule the number of vacation hours carried over from the previous year, plus the vacation hours earned during the year, minus one hundred twenty (120) hours or the carryover hours whichever is greater.

NOTE: Carryover hours are equal to one-half (1/2) of the hours earned during the calendar year or one hundred twenty (120) hours, whichever is greater.

When, at the end of a calendar year, the number of vacation hours held by an employee exceeds the maximum carryover or total maximum accumulation allowed, the excess hours will not be lost provided:

a.) The maximum was exceeded because of Company action or occupational or non-occupational disability.

b.) The excess is taken within the first one hundred twenty (120) calendar days of the new year or within one hundred twenty (120) calendar days of the employee's date of return to work.

Preference as to dates for vacations is given employees in accordance with their seniority. Such preference can be exercised only once in a calendar year.

Any vacation of less than forty (40) hours must be approved by the Company at least two (2) working days before it is to start.

- b. Vacation payment will be calculated on the basis of an employee's straight-time hourly rate, including applicable shift differential and work assignment pay and the number of hours in the normal workweek of the plant.
- c. If an employee who has completed the minimum eligibility requirements for a vacation retires, resigns, is laid off, is discharged, or dies, he or his survivors will be paid a vacation allowance not to exceed two hundred forty (240) hours for any accrued vacation that may be due him.
- d. Absence of an employee on his scheduled workday, immediately preceding or following his vacation, may not be excused for any reason except unavoidable circumstances.
- e. Employees starting work between the first (1st) and the fifteenth (15th) of the month will be given credit for the full month, whereas, employees beginning their employment on the sixteenth (16th) day of the month, or any day thereafter, will be given no credit for that month. If termination of employment occurs between the first (1st) and the fifteenth (15th) day of the month, vacation time will be computed to the last day of the previous month. If termination occurs on the sixteenth (16th) day of the month or thereafter, the vacation time will be computed to the end of the month.

ARTICLE IX WAGES AND BENEFITS

Section 1. Wage Schedules. The Company and the Union agree that wage rates shown, as Pay Scales in Exhibit B to this contract shall become effective at 11:00 p. m. September 30, 2000; 11:00 p. m. September 30, 2002; 11:00 p. m. September 30, 2003 and 11:00 p. m. September 30, 2004.

Section 2. New or Revised Classifications. When it is necessary to establish a new job classification or revise an existing job classification, the Company and the Union will negotiate a job title and a wage rate for the new or revised classification.

Section 3. Promotions. An employee promoted to a higher classification will receive the starting rate of the new classification. If the starting rate of the new classification is the same or less than his present rate, he will receive the next higher rate above his present rate in the progression schedule for the new job classification. The employee will thereafter progress to the job rate in accordance with the progression schedule for the new job classification.

Section 4. Demotion. When an employee is demoted to a lower paying classification, either at his own request or when no other work is available that he can perform, he shall receive the maximum rate of the lower classification as of the date of the demotion except that, if his present rate is below the maximum rate of the job to which he is being transferred, the employee shall receive the next closest rate step that does not provide an increase in pay.

Section 5. Pay Day. Payday shall be weekly and employees will be paid on Thursday following the end of the pay period provided the payroll checks are available. An employee not working may receive his check at the Accounting Office, at any time during office hours, or he may designate a person to bring his check to him by notifying his Coach.

Section 6. Shift Differential. A shift differential will be paid to employees for work performed during the following hours:

a. Thirty-five cents (35c) per hour for hours worked between 3:00 p. m. and 11:00 p. m.

b. Forty-six cents (46c) per hour for hours worked between 11:00 p. m. and 7:00 a. m.

This differential shall not apply for shift overlaps of less than one (1) hour. Employees working overtime will receive the shift differential, if any, in effect during such overtime hours

Section 7. Overtime Lunches. Any employee, upon the completion of ten (10) continuous hours of work, excluding his regular lunch period, will be paid a meal allowance of three dollars and seventy-five cents (\$3.75).

Section 8. Saturday and Sunday Premium Pay. Employees who are scheduled to work on Saturday as a part of their regular work schedule shall be paid forty cents (40c) per hour in addition to their regular rate for Saturday's work. Employees who are scheduled to work on Sunday as part of their regular work schedule shall be paid sixty-five cents (65c) an hour for work performed on Sunday. The forty cents (40c) premium paid for Saturday and the sixty-five cents (65c) premium paid for Sunday shall not be considered in determining overtime payments nor shall they be considered for employees who are working overtime on Saturday or Sunday.

Section 9. Longevity Pay. Employees with twenty (20) years of company service, but less than twenty-five (25) years of company service, shall receive in addition to the Pay Scales in Exhibit B, six cents (06c) per hour. Employees with twenty-five (25) years company service and over will receive ten cents (10c) per hour.

Longevity pay that the employees are receiving will not be included in the base rate to compute any percentage increase that the employees will receive in the future.

ARTICLE X CONTINUITY OF OPERATIONS

Section 1. Continuity of Operations. There will be no strikes, lockouts, or work stoppages of any nature. The Union guarantees to support the Company fully in maintaining operations in every way. Participation by any Company employee or employees in an act violating this provision in any way will be complete and immediate cause for discharge by the Company.

If it is contended that the discharged employee did not violate this section of the contract, the Union may, within two (2) days after the employee is discharged, contest the discharge by filing a grievance initially in the third step of the grievance procedure; the grievance shall be subject to arbitration under Article IV.

ARTICLE XI. PHYSICAL EXAMINATIONS

Section 1. Physical Examinations. An applicant for employment, as a part of the employment process, must meet certain minimum standards of health and physical fitness as determined by a physical examination. The physical examination will be given by a licensed physician appointed by the Company.

Periodic physical examinations of employees will be carried on or may be required to aid employees in improving their own health and to enable the Company to guard the health of its employees.

Effective 10/1/00 PSA tests will be provided annually at no charge for employees age forty (40) and above.

Electrocardiograms of the heart will be included only at the option of the employee.

An employee, upon request, shall have the opportunity to discuss the results of his medical examination with the Company.

Employees physically handicapped and/or restricted as a result of occupational or non-occupational illness or injury shall be given special consideration for continual employment. The Company will assign such employees to work that they can perform within their limitation. The Company, principal Council Officers, and the Union Chief Steward at the Company department level will mutually agree on the assignments contrary to the contract. If the nature of the employee's handicap or restriction prohibits agreement at the department level, the Labor Relations Administrator will resolve the matter with the principal Council Officers and the Chief Stewards involved. Such employees shall have the right to accept or reject such assignments. Refusal of such assignments shall result in medical termination.

- Section 2. Ability to Work after Injury, Illness or Physical Impairment. In case an employee returns to work after being absent because of layoff or due to injury, illness or physical impairment, the Company may require him to furnish a certificate signed by the Company physician showing that he is physically fit to return to work. If the physician finds that the employee is not physically fit to return to work, the employee may obtain a physical examination by a second physician agreeable to him. If the findings of the second physician are that the employee is physically fit to return to work, then the employee may submit to an examination by a specialist agreeable to the employee and the Company, at the expense of the Company, and the opinion of the specialist shall be final.
- An employee who becomes eligible for non-occupational disability pay after receiving his layoff notice because of a reduction in force but before the effective date of layoff may be required to submit to a physical examination by the Company physician any time that he is receiving such pay. If there is any disagreement in the findings between the Company physician and the employee's physician, then the employee must submit to an examination by a specialist agreeable to the Company and the employee, at the expense of the Company, and the opinion of the specialist shall be final.

ARTICLE XII SAFETY

- Section 1. Protective Equipment. Where necessary for the safety and health of its workers, the Company shall provide protective clothing and safety equipment.
- Section 2. Good Housekeeping. The Union recognizes the desirability of maintaining safe and clean working conditions at all times and agrees to cooperate with the Company in maintaining these conditions.
- Section 3. Safety Committee. A Safety Committee composed of nine (9) members, four (4) to be selected by the Union and five (5) by the Company, is hereby established. This Committee will meet at regular monthly intervals to consider safety problems and make recommendations for adoption to the Company.
- Section 4. Hazardous Work. Employees may refuse to perform

extremely hazardous jobs until a written determination is made by a member of the Company's Safety Office that necessary precautions are being observed.

Section 5. Drug-Free Work Force. Both parties fully support the Drug-Free Work Place Act of 1988, and agree to fully comply with the intent of the Act as applicable to Sverdrup Technology, Inc. Both parties agree that any drug abuse policy published by the Company shall not exceed the minimum requirements of the Drug-Free Work Place Act of 1988, existing Sverdrup policies and procedures or contractual commitments of Sverdrup in its contract with the Government at AEDC. The Company further agrees not to require drug testing of employees until such testing becomes a requirement of its contract, at which time the Company and Union will negotiate a drug testing program to ensure that the mutual best interest of the Company and the Union is protected.

a. Drug Testing - Refer to Article XVIII, Section 7, Agreement 6

ARTICLE XIII PROTECTIVE SECURITY

Section 1. Protective Security. The Union and the Company agree that they will do their utmost to protect the security of classified information and will not reveal such information to any person not specifically cleared for such information by the United States Government. No person will be cleared for such information except where the information is necessary for performance of work desired by the United States Government. It is recognized that the Company has agreed not to employ any person designated by the United States Government whose employment is considered prejudicial to the government and to remove from the work and exclude from the Arnold Engineering Development Center any person whose continued employment is deemed by the United States Government to be prejudicial to the United States Government. Furthermore, all members of the Union. the Company and all employees of the Company are required to comply with all protective security regulations now in effect or as may be promulgated by the United States Air Force. The Arbitrator provided for in Article IV of this contract shall not make any decisions that conflict with security regulations adopted by the United States Air Force.

Section 2. Proprietary Information. The Union and the Company agree that they will do their utmost to protect proprietary information.

ARTICLE XIV JURISDICTIONAL BOUNDARIES

- Section 1. Job Assignments. The Company will assign employees to duties within their job classifications, except as provided for in Article VII, Section 11, and Article XVIII, Section 7, Agreement 5.
- Section 2. Settlement of Jurisdictional Disputes. Determination of jurisdictional boundaries is the responsibility of the Local Unions of the Council which have been duly designated to represent employees. Therefore, when work boundaries between crafts have been clearly established by:
 - Custom, practice, and tradition,
 - Agreements between national or international unions, or agreements between crafts within an international union, or
 - c. Decisions or awards rendered by appropriate bodies,

The employees represented by each such union shall perform the work as determined by these boundaries. Appropriate bodies as referred to in this Article are defined as those which the disputing unions by agreement or through participation in such bodies recognize as having the authority to make such awards and decision.

In the absence of established work boundaries, the Company shall assign the work in accordance with custom and practice in the vicinity. In the absence of custom and practice in the vicinity, the Company shall assign the work to those employees who in its judgment are best qualified to perform the work, with due regard to practices of employers outside the vicinity which the disputing Unions present.

If, after work has been assigned on this basis, the Unions reach agreement or if an appropriate body renders a decision on the award which conflicts with the Company's assignment of work, the Company agrees

to alter its assignment to conform to such an agreement or award as soon as possible and in any case within fifteen (15) working days, except when the period is extended by agreement between the Company and officers of the Council.

A grievance relating to jurisdictional disputes and/or misassignment(s) of work, shall not be placed into the grievance procedure, Article III of the Agreement, including the discussion stage. Should the chief stewards not reach agreement resolving a disputed assignment of work, the moving Union shall refer the dispute to the Air Engineering Metal Trades Council's internal mechanism and/or Metal Trades Department Jurisdictional policy. Should the individual chief steward(s) agree on a resolution to the dispute the council shall notify the Company of the jurisdictional agreement(s).

The Council shall notify the Company of jurisdictional agreements or disagreements, which affect the assignment of work by the Company.

Section 3. Work Assignments. Assignment of jobs will be assigned to the Instrument Technicians and TFC-Electricians under the present guidelines as in the past. Job functions incidental to these assignments routinely performed by either Instrument Technicians or TFC-Electricians of a short duration, which are required for the completion of the assignment, will be performed by the assigned craft provided that the assigned employee has the capability to perform the work safely. Any dispute will be settled by the existing jurisdictional procedures.

Section 4. Union-Employer Cooperation in Craft Jurisdiction and Work Practices

Section 4a. Work Assignment Guidelines. In order to improve operational efficiencies, the AEMTC and its affiliated unions agree to perform limited cross-craft work assignments to accomplish all the work covered by this agreement. The Company and the Union agree that a fully motivated, efficient work force is essential to achieving the mutual objectives of continuing to be the best aerospace test center in the world.

The Company recognizes the benefits of traditional craft jurisdictions in a highly sophisticated and technologically advanced environment. The Company has invested substantial time and money in equipment and training of its employees in developing and fostering valuable craft skills. However, the realities of reduced workloads and low times of testing necessitate a change to this historical approach.

The Company is not looking for total interchangeability. Further, cross-craft assignments shall not be used for the purpose of depopulating affiliates of the AEMTC.

The Company has the responsibility to improve its methods, processes, scheduling, planning, and training within the occupational titles. All facilities, tools, and equipment should be adequately maintained for craft manpower to be more productive and efficient.

The Company shall make a good faith effort to primarily assign work along traditional craft lines, however, the Company may assign work cross-craft to employee(s) who have the skill, ability, and experience to perform the work safely. The Company shall not place the employee(s) or others at risk of personal injury because of these cross-craft assignments.

Each individual employee has the responsibility and authority to stop work if they have reason to believe an assignment puts the employee(s) at excessive or unnecessary risk. All work assignment guidelines apply uniformly during regular and overtime hours.

In consideration of the AEMTC agreeing to these Work Assignment Guidelines, the Company will pay an additional amount per hour benefit to all craft classifications effective 11:00 p.m. September 30, 2000 as shown in the following schedule:

FY 01	\$0.50
FY 02	\$0.60
FY 03	\$0.60
FY 04	\$0.60
FY 05	\$0.60

NOTE: Any additional pay per hour in this section shall not be considered part of the employees straight time rate and will be governed by, Article VII, "Hours of Work and Overtime" and will not be paid for jury duty, funeral pay, sick leave or holiday pay.

Each month at the Labor-Management Committee meeting, work assignments(s) shall be reviewed to determine staffing requirements.

Section 4b. Right to Discontinue. The Company agrees to provide the above monetary consideration for members of the bargaining unit in order to gain operational efficiencies through crosscraft work assignments. If for other reasons the Company or Union decide to discontinue cross-craft work assignments as used in this section, either party may provide written notification advising the other party of their desire to discontinue.

Notification may be made at the following time:

At least forty-five (45) days and no more than ninety (90) days prior to October 1, 2002.

Should either the Company or Union choose to discontinue the cross-craft process, Work Assignment Pay shall be discontinued.

Should the Union decide to discontinue, the insurance premium split between the Company and the employee shall revert to sixty-five (65%) and thirty-five (35%) respectively.

Should the Company decide to discontinue at the decision point the Company/employee premium split as delineated in this agreement shall remain in effect.

No jurisdictional precedent and/or practice shall be established during the period of this cross-crafting arrangement. Discontinuation of the cross-crafting arrangement will result in the parties reverting to the Jurisdictional Boundaries in effect September 30, 2000 including reactivation of Agreement 5 (TFC Agreement), as written.

Section 4c. Craft Percentages. In conjunction with the Work Assignment Guidelines, the Company will seek to maintain or increase the current craft to salaried ratio and the Company guarantees to maintain the following percentages:

Total Craft: no less than 36% of total company headcount.

If the parties agree to work assignment guidelines all current craft employees on the payroll as of October 1, 2000 will not suffer loss of

employment due to the implementation of Work Assignment Guidelines.

If the percentage calculation of Total Craft headcount is within seven (7) employees of the above percentage; the headcount will be considered in compliance.

Boilermaker	no less than 5.5% of total craft headcount as of October I of each year of this agreement
Electrician	no less than 20.4% of total craft headcount as of October 1 of each year of this agreement
Instrument Technician	no less than 21.3% of total craft headcount as of October 1 of each year of this agreement
lronworker	no less than 2.8% of total craft headcount as of October 1 of each year of this agreement
Laborer	no less than 2.5% of total craft headcount as of October 1 of each year of this agreement
Machinist	no less than 25.3% of total craft headcount as of October I of each year of this agreement
Operating Engineer	no less than 10.7% of total craft headcount as of October 1 of each year of this agreement
Pipefitter	no less than 11.4% of total craft headcount as of October 1 of each year of this agreement

The Total Craft percentage shall be calculated using the Company's strength report, outsourcing documents, seniority lists, overtime reports, skills mix meetings form, weekly financial briefing report, and outside consultants reports.

Staffing levels will be based upon regular full-time employees employed by the T contractor, percentages will be identified as wage and salaried. NES employees will be counted as salaried employees for accounting purposes. The agreed upon percentages are Salary sixty-four (64%), Wage thirty-six 36%.

A lower limit on the craft-to-craft percentage of ninety-seven (97%) of each of the craft percentages shall be established and if the calculation at the appropriate time is ninety-seven (97%) or greater of the above craft percentage the headcount shall be con-

sidered in compliance.

The parties agree reaching the above percentages will not result in the layoff of bargaining unit or non-bargaining unit employees.

If including employees called back under this section causes any single craft-to-craft percentage to be below the minimum percentage outlined in this agreement then those employees recalled in excess of that craft's allowable percentage will not be counted in the craft-to-craft percentage calculation.

The percentage of total craft and the percentage of individual craft as outlined in this section will be maintained unless either party has given notice to discontinue per Section 4B. If notice to discontinue is given there shall be no obligation to maintain the percentages as outlined above.

The Company shall have until November 1 of each year of this agreement to hire, recall or otherwise raise the headcount of any seniority group found not in compliance with the agreed upon percentages as determined on the previous October 1.

SECTION 4d. Recall Committment. The Company will commit to recall laid off employees on the recall list as of the start date of this agreement according to the following schedule:

Contract Year 1

Boilermaker	2
Pipefitter	2
Laborer	0
Ironworker	1
Operating Engineers	0

Contract Year 2

Boilermaker	2
Pipefitter	1
Laborer	1
Ironworker	0
Operating Engineer	1

Operating Engineer Boilermaker Contract Year 3 Ironworker Pipefitter Laborer

Contract Year 4

Boilermaker Ironworker Pipefitter Laborer

Operating Engineer TOTAL

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This Section is subject to the Right to Discontinue Language.

age outlined in this agreement, then those employees recalled in excess of that craft's allowable percentage will not be counted in single craft-to-craft percentage to be below the minimum percent-If including employees called back under this section causes any the craft-to-craft percentage calculation.

DISABILITY ALLOWANCE ARTICLEXV

Section 1. Disability Allowance.

- New employees are given an initial balance of 150 hours.
- time hourly rate of pay. The amount paid to an employee Employees unable to work because of injury or illness will be paid one hundred percent (100%) of their straightness'injury will be reduced by an amount equal to the on disability as a result of an approved work related :11amount received under Worker's Compensation laws. ع
- An employee absent due to occupational illness or injury will be charged two (2) hours of disability allowance for each sight-hour (8) period. ن

- d. When an employee retires or is terminated, all unused hours of disability allowance shall be used to increase the years of participation for pension benefits.
- e. After an employee has exhausted all payments for disability allowance and accrued vacation, the Company will pay one-hundred percent (100%) of the insurance premium for the remainder of a six-month (6) period, but not to exceed six (6) months as calculated from the date the disability began.

Section 2. Eligibility. Provided the "Conditions of Payment" outlined below are met, an employee will be eligible to receive disability payments if:

- a Company service is equal to or in excess of three (3) months as determined by length of service with the Company (except for occupational injury or illness); and
- b. The employee provides the Company with a doctor's certificate, if the absence is more than three (3) workdays, subject to confirmation by a doctor selected by the Company, as proof that his absence was due to a legitimate disability; and
- c. Such absence is in excess of three (3) consecutive work-days.
- d. The employee must report the absence and the cause of the absence to his immediate Coach or an alternate representative designated by the Company as soon as possible but no later than two (2) hours after the beginning of his work shift, except for causes beyond his control; and
- e Relative to an occupational illness/injury, the employee reports the incident to supervision no later than the day the incident occurs, the injury is compensable under the State Worker's Compensation law, the employee utilizes a Company-approved physician, and the employee cooperates fully in obtaining medical treatment.

Section 3. Conditions of Payment.

- a. Disability payments will not be made for:
 - 1. Any period of incapacity during which the employee is not under treatment by a licensed practicing physician except for the first three (3) days of non-work related disability; or
 - Any disability caused directly or indirectly by war or riot; or
 - 3. Any intentionally self-inflicted injury; or
 - Any period of incapacity during which the employee is gainfully employed.
- b. To be eligible for the "two-hour (2) provision" (See Section 1c), and to be considered an occupational disability, the disability must arise out of and in the course of his or her employment; must not be purposely self-inflicted nor be a result of willful misconduct, willful violation of plant rules, or willful refusal to use safety appliances.
- c. Disability allowance accumulated under this plan is to be utilized only for payments to employees whose absences are due to disability and cannot be utilized for any other purpose or benefit (except as provided in Section 1d of this Article).
- d. The amount of payment shall be determined in accordance with the provisions of Sections 1 and 4 of this Article.

Section 4. Amount of Payment.

a. Employees will be credited with disability allowance at the rate of eight (8) hours per month of active employment. These hours will be credited to the employee's account on the first day of the month. Sick leave will be available for the use as needed for the individual employees (per agreement effective November 1, 1998). b. It is further provided that in any event disability payments shall cease upon termination of the then existing contract between the Company and the United States Air Force.

Section 5. Long Term Disability Benefit. The Company will provide an optional Long Term Disability Benefit. The premiums to be paid by employees.

ARTICLE XVI GROUP INSURANCE

Section 1. Group Insurance. The Employer, during the term of this Agreement, shall maintain for insured employees the benefits in effect upon the effective date of this agreement.

The benefits are set forth in the booklets entitled, "Wage Employees Group Insurance Plan—Medical & Vision," "Wage Employees Group Insurance Plan—Dental," and "Wage Employees Group Insurance Plan—Life Insurance." The provisions of the Group Insurance Policies will be subject to review once every twelve (12) months by the Union's Insurance Advisory Committee and the Company.

The Company will continue to pay sixty-five percent (65%)of the premium cost and the employee will pay thirty-five percent (35%) of the premium cost.

(See Table 1 below for company/employee contribution percentages in Contract years 2001-2005).

Any payment of premiums over and above the claims paid, and retention and pooling charged by the insurance carrier, which result in a refund will be divided between the Company and employees by the same ratio as the premium payments were paid (sixty-five percent [65%] Company; thirty-five percent [35%] Employees or see Table 1 below). The Company and Union Insurance Advisory Committee will review the plan after each twelve (12) months and provide plan improvements if there will be no increase in premiums.

Both parties to this agreement shall actively explore alternative health insurance options for all employees. Upon reaching an agreement concerning an alternative health insurance plan, such agreement shall become addendum to this contract.

Prior to any other change in insurance carrier or increase in premium rates the Union Insurance Advisory Committee will meet with representatives of the Company to discuss such changes to ensure that the mutual best interest of the Company and Union is protected.

All insurance so continued will terminate on the date the insured becomes eligible for group insurance coverage as an employee of another employer or becomes eligible for Medicare. When the employee, retired or deceased, is no longer eligible for coverage and there is only one dependent eligible for coverage, the employee only medical premium rate will apply.

Continuation coverage rights have been modified in accordance with federal regulations as provided by the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA)

Section 2. Wage Employee Premium Reduction. In addition to the monetary consideration outlined in the Work Assignment Guidelines, Article XIV Section 4A of this agreement, the Company will reduce the employees' portion of the medical insurance premium cost as indicated in the following table for the term of this agreement, provided this section is not discontinued by the Union.

TABLE 1: Company and employee contribution percentages

Contract year 2000-2001	Company 80 %	Employee 20%
Contract year 2001-2002	Company 85 %	Employee 15%
Contract year 2002-2003	Company 90 %	Employee 10%
Contract year 2003-2004	Company 90 %	Employee 10%
Contract year 2004-2005	Company 90 %	Employee 10%

Commencing in fiscal year 2002 through the end of this labor agreement, the Company will pay medical insurance premium cost increases of up to three percent (3%) per year at the same company/employee rate as outlined above.

The above percentages are subject to the Right to Discontinue language.

Any premium cost reduction will be discontinued if the Union exercises its Right to Discontinue the Work Assignment Guidelines outlined in Article XIV Section 4B and the employees' portion of the premium cost will return to thirty-five percent (35%) of premium cost outlined above.

Section 3. Hours Worked Incentive. The Company will also provide an added amount of pay per hour based on the improvement in the wage employees' average hours worked for the year. This additional pay will be based on the improvement from the FY00 average hours worked (1,713) compared to the average wage hours worked as of September 30 of each year of this agreement provided the Work Assignment Guidelines are not discontinued.

The comparison baseline will be the FY00 average hours worked per wage employee. Company- declared stand down days and up to 3,000 hours of Union business will be counted as worked days for purposes of the Hours Worked Incentive calculation. The 3,000 hours will be included in the amounts listed below provided the following positions are filled by employees of Sverdrup Technology Inc.

```
1,500 hours
1,000 hours
500 hours
- Secretary of the AEMTC
- President of the AEMTC
- Benefits Coordinator of the AEMTC
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The first review will be October 1, 2001 for the next fiscal year and each October 1 thereafter.

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1,713 wage average hours worked = Baseline - FY00
1,760 wage average hours worked = $0.05 per hour
1,785 wage average hours worked = $0.15 per hour
1,800 wage average hours worked = $0.25 per hour
1,808 wage average hours worked = $0.30 per hour
- ($0.40 in year 3-5 of the agreement)
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ARTICLE XVII EMPLOYEE BENEFITS

Section 1. Voting Time. An employee who is unable to vote before or after his regularly scheduled work period will be allowed sufficient time with pay, not to exceed three (3) hours, for exercising his franchise to vote in local, county, state and federal elections, provided such employee presents evidence indicating eligibility to vote to his Coach. Payment will be made at his straight-time rate exclusive of shift premium.

When the workday of an employee commences three (3) hours after the opening of the polls, or ends three (3) hours prior to the closing of the polls, time off for voting will not be allowed.

Section 2. Jury Duty. An employee who is called for Jury Duty shall be excused from work upon presentation of Court Notice to his immediate Coach. An employee who has been summoned by subpoena to appear before the Grand Jury, where the employee is not the accused, shall be excused from work upon presentation of a letter from the Clerk of the Court to his immediate Coach. When the employee, who has been excused returns to work, he shall be paid the difference between his normal straight-time earnings and the fees received from Court, provided he submits evidence of the total amount received from the Court. Only the number of days actually spent in Court are to be counted in calculating payment. Any state and local laws shall have precedence over language in this section and the Company shall be in compliance with such state and local laws.

Section 3. Funeral Pay. An employee shall be granted an excused absence for the purpose of attending the funeral of a member of his immediate family and will be paid his straight-time rate for three (3) regularly scheduled workdays.

For the purpose of this section, the term "a member of his immediate family" shall be defined as the following: spouse, children, brothers, sisters, parents, stepparents, foster parents, parents-in-law, stepchildren, grandparents, brother-in-law, sister-in-law, and grandchildren of the employee.

Section 4. Severance Allowance Pay.

a. Eligible employees shall be paid a severance allowance when they are terminated because of a reduction in force (subject to the provisions of paragraph b. through f. of this Section). Severance allowance shall be paid to eligible employees in a lump sum at the time of termination. The amount shall be determined in accordance with the following table:

Severance Allowance

at Termination	Paid Straight-Time Rate on Date of Termination
Under 1 year	None
More than 1 year but less than 3 year	s 40 hours
More than 3 years but less than 5 year	rs 80 hours
More than 5 years	120 hours

Exception: Employees who were on the seniority list as of February 28, 1983, will be paid severance allowance calculated from the table above, or calculated from the table below, whichever is higher. Calculations from the table below will use the employee's straight time rate as of February 27, 1986. (Note: see letter, Agreement 7, item 7, page 61-62)

Years of Age as of February 27, 1986	Severance Allowance Accrual as of February 27, 1986
All ages	Under one year of service - None
Less than 35	40 hours of pay for the first year of service and 20 hours of pay for each year thereafter through February 27, 1986.
35 but less than 40	40 hours of pay for the first year of service and 30 hours of pay for each year of service thereafter through February 27, 1986.
0 but less than 45	40 hours of pay for the first year of service and 35 hours of pay for each year of service thereafter through February 27, 1986.

45 but less than 50 40 hours of pay for each year of

service through February 27, 1986.

50 but less than 55 45 hours of pay for each year of service through February 27, 1986.

55 and over 50 hours of pay for each year of service through February 27, 1986.

Years of service for either calculation are in full years with total payment (under either calculation) not to exceed straight-time earnings projected from date of termination to age 70.

- (1) The most recent hire, rehire, or recall date will be used in determining the employee's length of service. Employees shall not receive credit for Company service for leaves of absence of more than thirty (30) calendar days for time spent in layoff or other separations from the payroll.
- a. If a succeeding contractor replaces the Company for any or all the work performed under contract with the USAF at the AEDC, the Company's employees reduced in force because of such action will not be eligible to receive a severance allowance if employment continues with the succeeding contractor with credit for prior length of ser vice with Sverdrup is preserved under substantially equal conditions of employment, or if employment continues in another facility, subsidiary, affiliate, or parent company of Sverdrup Technology, Inc. In the case of employees who were on the seniority list as of February 28, 1983, whose service with the Company had existed, on an uninterrupted basis, since prior to July 1, 1974, then the exclusion from severance allowance is hereby revoked until through July 31, 1991, and replaced by the contract language in Article XVIII, Section 4. b. (1) of the contract that existed between the Company and the AEMTC for the period March 1, 1983 through February 28, 1986, with the following exception: rate of pay will be calculated at the employee's straight time rate as of February 27, 1986. (Note: see letter, Agreement 7, item 7, page 61-62) The preceding sentence represents approval received February 6, 1989, from the

Air Force for a deviation from the second sertence of FAR 31.205-6(g)(2)(i) which was requested by the Company on January 29, 1986 through Letter 86-105; the Air Force Contracting Officer has advised that he will request a continuance of the deviation prior to its current expiration. The Company agrees to fully support a request for a continuance of the deviation.

- so, the employee shall be paid a severance allowance the succeeding contractor, the employee must refund to or all the work performed under contract with the USAF does not accept employment by or does not enter into an required Company certificate stating that he will not do based on his length of service with the Company beginning with his employment date determined by Paragraph ment by the Company was terminated, computed at the employee's age and rate of pay at the time of termination in accordance with the schedule in paragraph a. above. If within one (1) year after termination by the Company, the employee accepts employment by or enters into an agreement for subsequent employment by the Government, pursuant to the signed certificate, the portion of severance allowance paid for his length of service with the Company from July 1, 1974, through If a succeeding contractor replaces the Company for any at AEDC, for each employee who is not employed by, agreement for subsequent employment by the succeeding contractor, and the employee signs a Governmentat in this Article: hrough the date on which his employhis last date of employment by the Company. زعـ
- c. Employees who do not sign a certificate as provided in Paragraph b above shall not be paid a severance allowance
- d. For each employee paid in accordance with Paragraph b , the Cempany will report to the Government the length of service for each employee from July I, 1974, through his last date of employment with the Company. Such length of service will be credited to each employee so reported as agreed to between the Government and the succeeding Contractor.

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e. Severance payments will not be paid when paid to employees in addition to early or normal retirement.

Section 5. Retirement Plan.

- a. The details of this plan are set forth in a formal Retirement Plan document and trust agreement, a copy of which is maintained by the Sverdrup Pension Benefits Officer. The plan includes provisions for payment of an early retirement supplement which is equivalent to the benefits in the prior contract in addition to retirement income and death benefits.
- b. Prior to any change in the Pension Plan, representatives of the Company will meet with representatives of the Union Advisory Committee to discuss such changes to ensure that the mutual best interest of the Company and the Union is protected.
- The Union may select an Advisory Committee to make recommendations to the Pension Plan Administrative Committee.
- d. Effective December 31, 1994 the definition of basic compensation no longer includes overtime.
- Pension calculation will be based upon an individual's high three years.
- f. The Company is committed to review the specifics of the survivor benefits and pursue plan changes.
- Section 6. Retirement Savings Plan. The Company shall make available to all eligible wage employees a Retirement Savings Plan as described in the document "Sverdrup Technology, Inc., Wage Employees Retirement Savings Plan" with the effective date of March 1, 1979.
- The Company shall make contributions in accordance with Section 4.02 of the Plan in behalf of each participant during the life of this contract. The 401(k) employee contribution maximum may be the maximum percent (%) allowable by ERISA.

Prior to any change in this Plan, representatives of the Company will meet with representatives of the Union to discuss such changes to ensure that the mutual best interest of the Company and the Union are protected.

ARTICLE XVIII GENERAL

Section 1. Labor-Management Committee. There is hereby established a Labor-Management Committee which shall consist of all chief stewards from the affiliated Unions and the Company except when mutually agreed on for a particular meeting. Each member of the Labor-Management Committee will have a designated alternate. Alternates will attend in the absence of their designated member. The function of the Labor-Management Committee is to promote a better understanding between employees and the Company for the mutual interest and welfare of all concerned. The meetings of this Committee shall be held monthly at times mutually agreed to by the parties.

Section 2. Work Performed by Coaches and Other Excluded Personnel. Coaches shall not consistently do non-Coach work which will deprive employees of jobs regularly performed by them. This shall not prevent Coaches from performing necessary functions of instruction or assistance to employees.

Engineers may perform manual work to further their research and development work, provided such work does not deprive Bargaining Unit employees of jobs regularly performed by them. Other excluded personnel defined in Article II, Section I, will not be assigned to work performed by Bargaining Unit employees.

Co-op Education Students may be assigned to Journeyman Craftsmen for training purposes. It is understood by the parties that the Co-op Education Student will not displace any Bargaining Unit employee during this assignment.

Section 3. Apprenticeship Program. The Joint Apprenticeship Committee consisting of six (6) members, three (3) members from the Company and three (3) members from the Union, shall meet as often as required for the purpose of making recommendations pertaining to the administration of the Apprenticeship Program. The Committee will be guided by the Apprenticeship Standards

as jointly submitted to and approved by the Bureau of Apprenticeship, United States Department of Labor. Apprentices are not eligible to bid on posted jobs; however, when they complete their term of apprenticeship, provided there is no one in layoff status from the classification in which the apprentice was trained, and if the apprentice is to be retained as a journeyman, the posting procedure will not be followed.

Section 4. Training Programs. The Training Committee will review applications for trainee positions and make recommendations to the Manager, Employee Relations and Administration.

In accordance with the provisions of this agreement, the parties agree that a joint training program is herewith established in the various classifications as specified therein and which will be administered by a joint training program committee composed of two (2) representatives of the Company and two (2) representatives of the Union, in accordance with the provisions of this agreement and the training program herein established by mutual consent and which is in accordance with the following agreed to requirements:

- 1. These training programs shall not be instituted in, or applied to, any classification where there are employees or apprentices in layoff status in such classification.
- 2. Employees who have reached journeyman status will not be eligible for training positions.
- 3. Employees admitted to such training programs shall be laid off during times of reduction in force in the classification for which they are being trained with no rights except those to which they may be entitled by their hire date seniority to return to other classifications in which they may have been employed, except only that employees in the last year in any such training program shall be permitted to continue the program to completion and thereafter to exercise such rights as their hire date may entitle them in the classification in which they have trained.
- 4. These training programs shall be for a minimum of four (4) years, including credit for previous related experience, with periodic advances as provided. Employees in the training

program, after satisfactorily completing three and one-half (3-1/2) years (42 months) of such training program, may perform journeyman work of the classification for which they have trained, without the direct guidance of a journeyman.

 A trainee under this program may be offered overtime only when all employees listed on the overtime chart in that area are working.

Section 5. Bulletin Boards. The Company shall provide the Union with suitable bulletin boards for the purpose of posting notices of Union meetings and Union affairs.

Section 6. Uniforms. The Company agrees that if any employee is required to wear any kind of uniform as a condition of his continued employment, the Company will furnish, replace, repair, launder, and clean the uniforms, it being understood that shoes, socks and underclothing are not considered as items of uniform. The uniforms and equipment so worn shall be prescribed by the Company, and no deviations from the Company requirements shall be practiced except with the consent of the Company.

Section 7. Agreements. The following agreements and letters between the parties are considered as a part of this contract.

AGREEMENT 1 DEPARTMENTAL CORRESPONDENCE

Date: February 13, 1957

SUBJECT: Instrumentation Construction Projects

TO Facility and Division Chiefs DEPT

FROM A. J. Moore DEPT Chief, ERD

Under the terms of our construction agreement with the International Brotherhood of Electrical Workers, Local 429, we have been unable to use Instrument Technicians on instrumentation construction projects. Realizing the limitations of the construction electricians and their qualifications to perform this type of work, we requested a conference with Business Manager Lampley to discuss this matter.

February 12, 1957, Mr. Lampley agreed to the use of Instrument Technicians to perform instrumentation construction work by reclassifying them temporarily to Electricians and paying the Electrician's construction rate (Davis-Bacon) during their performance on instrumentation construction projects.

AGREEMENT 2

This agreement made and entered into by and between ARO, Inc, and the Unions, signatories hereto, who agree that this document shall become a supplement to the General Agreement between ARO, Inc. and the Air Engineering Metal Trades Council and Affiliated Unions, last signed on January 10, 1954, when approved by the Air Engineering Metal Trades Council.

NOW THEREFORE, in consideration of the mutual covenants and agreements of the parties and for other good and valuable considerations, it is agreed as follows:

- The Company will perform construction work as directed by the Air Force and as defined by Air Force regulations.
- The Company will determine construction work on the basis required by the Davis-Bacon Act.
- The Company may at times subcontract work which in its opinion can be performed efficiently and economically by outside contractors, meeting the requirements of the appropriate party or parties signatory hereto.
- 4. When construction is performed, the Company will assign the work by classification to employees represented by the appropriate craft union and pay the wage rate predetermined by the U. S. Department of Labor, as submitted to the Company by the United States Air Force.

IN WITNESS WHEREOF, this instrument is executed as of the twenty- ninth day of August 1956.

s/R. M. Williams, ARO, INC.

UNION

- s/ George E. Hicks, Jr. International Brotherhood of Teamsters, Chauffeurs, Warehousemen & Helpers of America, Local Union No. 515
- s/Fred Stratton International Hod Carriers', Building & Common Laborers Union of America, Local Union No. 846
- s/ Clyde C. Anderson International Association of Bridge Structural & Ornamental Iron Workers, Local Union No. 704
- s/ J. A. Hennessee Sheet Metal Workers' International Association Local Union No. 51
- s/ H. E. Summers International Association of Machinists, District Lodge No. 155
- s/ G. W. Lockwood International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, District No. 57
- s/ S. R. Timmons Tri-State Carpenters District Council Carpenters Local No. 2470
- s/ Charlie Guy Brotherhood of Painters, Decorators & Paperhangers of America, Local Union No. 456
- s/ International Brotherhood of Electrical Workers, Local Union No. 429
- s/ Clyde Allen International Union of Operating Engineers Local Union No. 917
- s/ John H. Conroy United Association of Journeymen & Apprentices of the Plumbing & Pipe Fitting Industry of the United States & Canada, Local Union No. 352
- s/ H. H. Mize United Association of Journeymen & Apprentices of the Plumbing & Pipe Fitting Industry of the United States & Canada, Local Union No. 572
- s/ International Association of Fire Fighters Local AEDC-Fire Department

AGREEMENT 3

It is hereby agreed between ARO, Inc., and the Air Engineering Metal Trades Council and its affiliated unions that all work now being performed will continue to be assigned to the craft or classification of employee now performing the work.

New equipment or new work will be assigned to the craft or classification of employee performing similar work.

It is further agreed that the Company will not change any work assignments except when two or more unions reach an agreement and the Air Engineering Metal Trades Council notifies the Company that an agreement has been reached and that the work should be reassigned in accordance with said agreement.

This agreement is in accordance with Article XV* of the general agreement between the parties and does not change present work assignment in the Test Facilities. This agreement is made and entered into this 17th day of December 1964.

s/W. R. Davison, Chief, Employee Relations Division s/W. V. Ross, President, Air Engineering Metal Trades Council s/O. R. Fallert, Secretary, Air Engineering Metal Trades Council

*NOTE: Article XV referred to above is now Article XIV in the present contract

AGREEMENT 4

January 27, 1966

Mr. W. V. Ross, President
Air Engineering Metal Trades Council
and Affiliated Unions, AFL-CIO

P. O. Box 132

Tullahoma, Tennessee 37388

Dear Mr. Ross:

This letter confirms our understanding of December 17, 1965, during the contract negotiations.

We agreed that as such time as applicable Federal and Tennessee State Laws allow legal union shop agreements in collective bargaining contracts, ARO, Inc. agrees to meet with representatives of the Air Engineering Metal Trades Council and Affiliated Unions, AFL-CIO, for the purpose of negotiating an acceptable union shop agreement which will, as agreed to, become an amendment to the then existing contract.

Sincerely, s/ R. M. Williams President

JMR: pam

AGREEMENT 5

Effective October 1, 2000 the parties agree to delete this agreement with the understanding should either party exercise its right to discontinue the Work Assignment Guidelines the parties will revert to the Jurisdictional Boundaries in effect September 30, 2000 including reactivation of Agreement 5 (TFC Agreement), as written.

It is agreed to by and between ARO, Inc. the undersigned International Representatives that work assignments will be made in accordance with the provisions established by Article XV* of the Contract except in the testing facilities where work assignments may vary to meet test schedules and to provide continuity of employment.

When work assignments are made by Company to meet test schedules and to provide continuity of employment, such work assignments shall be subject to review and adjustment upon request of either party. Agreed to 21 day of February 1967.

*NOTE: Article XV referred to above is now Article XIV in the present contract.

s/ C. C. Hobbs, International Association of Bridge, Structural & Ornamental Iron Workers

s/ John S. Turner, Jr., Laborers' International Union of North America International Association of Machinists & Aerospace Workers

Brotherhood of Painters, Decorators & Paperhangers of America s/ Lev G. Loring, United Association of Journeymen & Apprentices of the Plumbing & Pipe Fitting Industry of the United States & Canada s/ James R. Sanders, International Brotherhood of Teamsters, Chauffeurs, Warehousemen & Helpers of America s/W. W. Orr, United Brotherhood Carpenters & Joiners of America s/ Alvin F. Arnold, International Union of Operating Engineers s/ Roscoe W. Jones, Sheet Metal Workers International Association s/G. W. Lockwood, International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers & Helpers s/M. A. Williams, Iternational Brotherhood of Electrical Workers International Association of Fire Fighters s/R. M. Williams, ARO, Inc., President AGREEMENT 6 This agreement made and entered into by and between Sverdrup Technology, Inc. and the Air Engineering Metal Trades Council and Affiliated Unions, AFL-CIO, who agree that this document shall become a supplement to the contract executed on March 20. 1989 between the parties for the period March 1, 1989 through February 28, 1992. WHEREAS, the above mentioned contract between the parties in Section 5, of Article XII provided that the Company would not require drug testing of employees until such testing becomes a requirement of its contract but that the parties would negotiate a drug testing program at that time; and WHEREAS, such a requirement did become a requirement of the contract between Sverdrup Technology, Inc., and the United States Air Force, effective October 1, 1990, when DFAR 252-223-7500,

subject Drug-free work force, was incorporated by reference to

the contract, and which provides the Sverdrup Technology, Inc., shall establish a program that provides for the testing for the use of illegal drugs by "employees in sensitive positions," defined as employees who have been granted access to classified information or employees in other positions that the contractor determines involve national security, health, or safety, or function other than the foregoing requiring a high degree of trust and confidence;

NOW THEREFORE, it is agreed as follows:

- All employees represented by the AEMTC at the AEDC will be considered as employees in sensitive positions;
- Employees in sensitive positions will be scheduled for drug testing in the AEDC Dispensary in accordance with the "Mandatory Guidelines for Federal Workplace Drug Testing Programs" under the following circumstances:
 - a. When there is reasonable suspicion that the employee uses illegal drugs, or
 - b. When an employee has been involved in an accident or unsafe practice, or
 - As part of or as a follow-up counseling or rehabilitation for illegal drug use, or
 - d. As part of a voluntary employee drug testing program,
 - e. As a part of a random drug testing program, or
 - f. As required in writing by the AEDC Contracting Officer.
- 3. Applicants for employment will be subject to drug testing.
- 4. If requested by the employee, the AEDC Dispensary will collect a split sample. One sample will be submitted to the independent testing laboratory and the other will be retained at the AEDC Dispensary until the results of the tests performed on the first sample are received. Upon receipt of a positive test result and only at the request of the employee or

a principle officer of the AEMTC, the split sample will then be submitted for retesting at the expense of the Company to another testing laboratory selected by the Union from a list provided by the Company. If an employee test positive, before the Company meets with the employee to discuss the test results, the Company will advise the employee of his right to have Union representation, and, if requested, the interview will not take place until an available union representative is given an opportunity to be present.

5. This agreement is subject to the provisions of any implementing Regulation of the Drug-Free Work Place Act of 1988 which may affect the terms or provisions herein.

AGREEMENT 7

- Sverdrup Technology, Inc. AEDC Group, (the Company) and Air Engineering Metal Trades Council and affiliated Unions, AFL-CIO (the Union) hereby agree to the following on July 26, 1995 to become effective 1 October 1995.
 - The classifications Machinist, Machinist Welder, Shop Inspector, Precision Inspector, Chemical Processing Tech., Heat Treater & Plater, Machine Tool Repairman, and Precision Tool Crib Attendant will be reclassified to the Inside Machinist Classifications.
 - The classifications Industrial Equipment Oiler and Maintenance Machinist will be reclassified to the Outside Machinist classifications.
 - The classifications Power Equipment Operator and Motor/ Crane Driver & Oiler will be reclassified to Operating Engineer.
 - 4. Add Chief Craftsman classification to be paid at Leaderman rate of pay.
 - 5. Journeyman wages will remain Sverdrup \$16.96, former MCT \$17.13, and SSI \$17.14 until March 1, 1996 at which time all three rates will be increased to \$17.47 per hour.
 - 6. Seniority will be a straight merge as of this date.

- 7. Severance Sverdrup will accept the current severance hours accrued and not used by Micro Craft Technologies and SSI employees hired by Sverdrup frozen at the October 1, 1995 wage rate. In addition, the current Sverdrup employees will have their wage rate adjusted and re-frozen at the October 1, 1995 rate.
- 8. Employees may roll over existing 401(k) moneys into the Sverdrup 401(k) Plan. However, if the employee declines to roll over existing money, they may participate in the Sverdrup 401(k) Plan at their present status. Roll over of existing moneys in current 401(k) may be done at any time in the future.

IN WITNESS WHEREOF, this instrument is executed by the authorized reporceentatives of the parties this 26th day of July 1995.

AIR ENGINEERING METAL TRADES COUNCIL AND AFFILIATED UNIONS AFLICIO	SVERORUP TECHNOLOGY INC
President 1 M	W.F. Kenzey, General Manager
Secretary James Secretary Price	Keltiveren
Busse	R E Stevenson Manager Labor Relations
International Brittherhood of Boiler- markers, fron Ship Builders, Blacksmiths	AIR ENGINEERING METAL TRADES COUNCIL AND AFFILIATED UNIONS
Forgers, & Helpers, Local Umon No. 57	AFL-CIO
pro & Bonum	-Jametly H. Phught
international Brotherhood of Electrical Workers, Local Union No. 2113	international Association of Machinists 8. Aerospace Workers: Queen City
Show W Home	Lodge No. 1561
International Association of Bridge,	I Car No.
Structural & Omamental ironworkers,	~ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\
tiocal Union No. 704	International Union of Operating
36 10 River	Engreens, Local Union No 917
Matter Mar Couls	2 H Layer
international Hod Camers, Building And	
Common Laborers' Union of America,	United Association of Journeymen &
Local Union No. 174	Apprentices of the Plumbing & Pipe- fitting Industry of the United States & Canada Local Union No. 572

DURATION

Section 1. Duration. Except as it may be amended hereafter by written mutual agreement of the parties, this contract shall become effective at 11:00 p. m. September 30, 2000 and shall continue in effect until 11:00 p. m. September 30, 2005 and shall automatically be renewed thereafter from year to year unless either party notifies the other in writing sixty (60) days prior to the expiration date that it desires to terminate or modify provisions of the contract, provided, that if the Company shall cease to perform work at the Arnold Engineering Development Center this contract shall automatically terminate, and the rights and obligations of both the Union and the Company hereunder shall automatically cease except with reference to those employees covered herein who shall remain in the employ of the Company for the purpose of performing work arising from the termination provisions the Company's contract with the United States Air Force, and as to such employees this contract shall continue in effect until termination of employment of such employees.

Section 2. Savings Clause. This contract is subject to provisions of any Federal or State statutes, present or future, which may affect the terms or provisions herein.

EXHIBIT A CLASSIFICATION **SCHEDULE** Job Classification Rate Code Boilermaker Group SR-6 Boilermaker Chief Craftsman SR-6 Bollermaker Leaderman Boilermaker SR-5 SR-8 Boilermaker Intern Electrical Group Electrical Technician Chief Craftsman SR-6 Electrical Technician Leaderman SR-6 SR-5 Electrical Technician SR-8 Electrical Technician Intern Instrument Technician Group SR-6 Instrument Technician Chief Craftsman Instrument Technician Leaderman SR-6 SR-6 Instrument Technician Specialist SR-5 Instrument Technician Instrument Technician Intern **SR-8**

Ironworker Group	
Ironworker Chief Craftsman	SR-6
Ironworker Leaderman	SR-6
Ironworker	SR-5
Ironworker Intern	SR-8
Laborer Group	
Laborer Chief Craftsman	SR-4
Laborer Leaderman	SR-4
Laborer	SR-1
Machinist Group	
Outside Machinist Chief Craftsman	SR-6
Outside Machinist Leaderman	SR-6
Outside Machinist	SR-5
Outside Machinist Intern	SR-8
Inside Machinist Chief Craftsman	SR-6
Inside Machinist Leaderman	SR-6
Inside Machinist	SR-5
Inside Machinist Intern	SR-8
Pipefitter Group	
Pipefitter Chief Craftsman	SR-6
Pipefitter Leaderman	SR-6
Pipefitter	SR-5
Pipefitter Intern	SR-8
Operating Engineer Group	
Operating Engineer Chief Craftsman	SR-6
Operating Engineer Leaderman	SR-6
Operating Engineer	SR-5
Operating Engineer Intern	SR-8

Beginning March 1, 1986, a new classification for each Seniority Group will be established to replace the current Associate Classifications.

This classification will be a Journeyman Intern (Example: Boiler-maker Intern, Electrical Intern, etc.) with a rate code designated as SR-8.

An Advisory and Evaluation Board (A&E Board) will be established to monitor the program's development, review area vocational school curriculums and make recommendations, and review employee progress at six-month (6) intervals and approve progressive step promotion to the next level. When an employee is

- hired into an Intern Classification, the A&E Board shall make the determination as to the step in which he shall be initially placed. The A&E Board shall consist of three (3) Company representatives and two (2) Union representatives (Union designation).
- The progression/promotion scale for employees in these classifications will be as follows:

	<u>STEP</u>	*PAY RATE (SR- 8)
	Α	50%
	В	55%
	C	60%
	D	65%
_	E	70%
	F	75%
_	G	85%

- *As a percent of the second year SR-5 pay rate.
- Interns will not automatically progress to the next step; however, assuming acceptable progressive development of skills and ability, progression to the G level would be reached within three (3) years. The A&E Board shall make progression promotion decisions based upon qualifications and demonstrated performance.
- Employees upon achieving the G level may be promoted without posting.
- No present employees in a Journeyman or higher classification will be laid off to hire employees into the Intern Classification nor will they receive a reduction in pay or other benefits as a result of the establishment of the Intern Classification. No Journeyman on the seniority list at this time shall be laid off after March 1, 1986, until all Interns are laid off within the pertinent seniority group. There will not be any employees hired in the Intern Classification if there are Journeymen in layoff status in the Seniority Group. The ratio of Interns to Journeymen shall not exceed a one (1) to six (6) balance within each respective seniority group. Definition of present employees are those employees on the seniority list as of February 28, 1986.
- Job descriptions for the Intern Classifications will be developed by the Company during the ninety (90) day period immediately following March I, 1986. These job descriptions will be given to the Union and the Company will consider any inputs furnished.

While serving in Steps Λ thru F Interns will be assigned to work with a Journeyman or higher craftsman of their craft with duties based upon the individual's skills/ abilities as related to the overall job to be performed.

Interns can perform work on overtime provided that the work being performed on overtime be of the same type that they are performing on their regular shift, and that there is a Journeyman performing work on overtime from the same overtime list.

The A& E Board shall meet once each year (March) during the life of this contract to discuss any problems being incurred with the Intern classification and mutually agree on steps to be taken to correct such.

When employees are hired into the Intern classifications, applicant recommendations of the Union will receive consideration in accordance with Article II, Section 1 of this contract.

The Intern classification is to be considered Bargaining Unit positions now and in the future.

Job Classification	Rate Code
Traince*	SR- 0
Up to 6 Months	60% of Journeyman Pay Rate
Up to 12 Months	65% of Journeyman Pay Rate
Up to 18 Months	70% of Journeyman Pay Rate
Up to 24 Months	75% of Journeyman Pay Rate
Up to 30 Months	80% of Journeyman Pay Rate
Up to 36 Months	85% of Journeyman Pay Rate
Up to 42 Months	90% of Journeyman Pay Rate
Up to 48 Months	95% of Journeyman Pay Rate

^{*} The classification Trainee (SR-0) is established in each of the above seniority groups where there are Journeyman classifications.

Job Classification	Rate Code
Apprentice*	SR- 9
0- 1000 Hours	60% of Journeyman Pay Rate
1000- 2000 Hours	65% of Journeyman Pay Rate
2000- 3000 Hours	70% of Journeyman Pay Rate
3000- 4000 Hours	75% of Journeyman Pay Rate
4000- 5000 Hours	80% of Journeyman Pay Rate
5000- 6000 Hours	85% of Journeyman Pay Rate
6000- 7000 Hours	90% of Journeyman Pay Rate
7000- 8000 Hours	95% of Journeyman Pay Rate

* The classification Apprentice (SR-9) is established in each of the above seniority groups where there are Journeyman classifications.

EXHIBIT B. PAY SCALE

EFFECTIVE 11: 00 P. M.	September 30, 2000 a two and one-half-percent (2.5%) across the board increase.
EFFECTIVE 11: 00 P. M.	September 30, 2001 a three-percent (3.0%) across the board increase.
EFFECTIVE 11: 00 P. M.	September 30, 2002 a three-percent (3.0%) across the board increase.
EFFECTIVE 11: 00 P. M.	September 30, 2003 a three- percent (3.0%) across the board increase.
EFFECTIVE 11: 00 P. M.	September 30, 2004 a three-percent (3.0%) across the board increase.

	Additional pay if eligible Overtime Lunch after 10 hours of work	\$3.75	Each Occasion
	Shift Differential 3 p.m. to 11 p.m.	\$0.35	Per Hour
	Shift Differential 11 p.m. to 7 a.m.	\$0.46	Per Hour
_	Longevity pay for 20-24 yr. of service	\$0.06	Per Hour
	Longevity pay for 25 or more yr. of service	\$ 0.10	Per Hour
	Add on to ET SR-5 rate	\$0.30	Per Hour
	Add on to ETL SR-6 rate	\$0.30	Per Hour

Contract Year 1 Work Assignment Pay (WAP) = \$0.50/hr. Add on to hourly rate	Rate <u>Code</u> SR-1 SR-2 SR-3	9/30/00 1st Yr. <u>w/o WAP</u> \$13.66 \$13.81 \$13.95	9/30/00 2nd Yr. <u>w/o WAP</u> \$14.38 \$14.53 \$14.69
-		·	
and paid on all worked	SR-4	\$14.71	\$15.49
hours and vacation.	SR-5	\$ 19.10	\$20.11
	SR-6	\$20.07	\$21.13

Contract Year 2	Rate Code	9/30/01 1st Yr. w/o WAP	9/30/01 Year 1 3% WAP	9/30/01 1st Yr. w/WAP	ļ
Work Assignment Pay	SR-1	\$14.07	\$0.02	\$14.09	
(WAP) = \$0.60/hr.	SR-2	\$14.22	\$0.02	\$14.24	_
Add on to hourly rate	SR-3	\$14.37	\$0.02	\$14.39	
and paid on all worked hours and vacation.	SR-4 SR-5	\$15.15 \$19.68	\$0.02	\$15.17	
nours and vacation.	SR-5 SR-6	\$19.68 \$20.67	\$0.02 \$0.02	\$19.70 \$20.69	
	310-0	\$20.07	\$0.02	\$20.09	
		9/30/01	9/30/01	9/30/01	
Contract	Rate	2nd Yr.	Year 2	2nd Yr.	-
Year 2	Code	w/o WAP	3% WAP	w/WAP	
Work Assignment Pay	SR-1	\$14.81	\$0.02	\$14.83	_
(WAP) = \$0.60/hr.	SR-2	\$14.97	\$0.02	\$14.99	
Add on to hourly rate	SR-3	\$15.13	\$0.02	\$15.15	
and paid on all worked	SR-4	\$15.95	\$0.02	\$15.97	Ė
hours and vacation.	SR-5	\$20.71	\$0.02	\$20.73	_
	SR-6	\$21.76	\$0.02	\$21.78	
		*9/30/02	*9/30/02	*9/30/02	
Contract	Rate	lst Yr.	Year 3	lst Yr.	
Year 3	Code	w/o WAP	3% WAP	w/WAP	
Work Assignment Pay	SR-1	\$14.49	\$0.04	\$14.53	
(WAP) = \$0.60/hr	SR-2	\$14.65	\$0.04	\$14.69	
Add on to hourly rate	SR-3	\$14.80	\$0.04	\$14.84	
and paid on all worked	SR-4	\$15.61	የ ሰ ሰላ	\$15.65	
hours and vacation.			\$0.04		
	SR-5	\$20.27	\$0.04	\$20.31	
	SR-5 SR-6				
		\$20.27	\$0.04	\$20.31	
		\$20.27 \$21.29 *9/30/02	\$0.04	\$20.31	
Contract	SR-6	\$20.27 \$21.29 *9/30/02 2nd Yr.	\$0.04 \$0.04 *9/30/02 Year 3	\$20.31 \$21.33 *9/30/02 2nd Yr.	
Contract Year 3	SR-6	\$20.27 \$21.29 *9/30/02	\$0.04 \$0.04 *9/30/02	\$20.31 \$21.33 *9/30/02	
Year 3 Work Assignment Pay	SR-6	\$20.27 \$21.29 *9/30/02 2nd Yr.	\$0.04 \$0.04 *9/30/02 Year 3	\$20.31 \$21.33 *9/30/02 2nd Yr.	
Year 3 Work Assignment Pay (WAP) = \$0.60/hr.	Rate Code SR-1 SR-2	\$20.27 \$21.29 *9/30/02 2nd Yr. <u>w/o WAP</u> \$15.26 \$15.42	\$0.04 \$0.04 *9/30/02 Year 3 3% WAP	\$20.31 \$21.33 *9/30/02 2nd Yr. <u>w/WAP</u>	
Year 3 Work Assignment Pay (WAP) = \$0.60/hr. Add on to hourly rate	Rate Code SR-1 SR-2 SR-3	\$20.27 \$21.29 *9/30/02 2nd Yr. <u>w/o WAP</u> \$15.26 \$15.42 \$15.58	\$0.04 \$0.02 Year 3 3% WAP \$0.04 \$0.04 \$0.04	\$20.31 \$21.33 *9/30/02 2nd Yr. w/WAP \$15.30 \$15.46 \$15.62	
Year 3 Work Assignment Pay (WAP) = \$0.60/hr. Add on to hourly rate and paid on all worked	SR-6 Rate Code SR-1 SR-2 SR-3 SR-4	\$20.27 \$21.29 *9/30/02 2nd Yr. <u>w/o.WAP</u> \$15.26 \$15.42 \$15.58 \$16.43	*9/30/02 Year 3 3% WAP \$0.04 \$0.04 \$0.04 \$0.04	\$20.31 \$21.33 *9/30/02 2nd Yr. w/WAP \$15.30 \$15.46 \$15.62 \$16.47	
Year 3 Work Assignment Pay (WAP) = \$0.60/hr. Add on to hourly rate	Rate Code SR-1 SR-2 SR-3	\$20.27 \$21.29 *9/30/02 2nd Yr. <u>w/o WAP</u> \$15.26 \$15.42 \$15.58	\$0.04 \$0.02 Year 3 3% WAP \$0.04 \$0.04 \$0.04	\$20.31 \$21.33 *9/30/02 2nd Yr. w/WAP \$15.30 \$15.46 \$15.62	

Contract <u>Year 4</u>	Rate Code	*9/30/03 1st Yr. w/o WAP	*9/30/03 Year 4 3% WAP	*9/30/03 1st Yr. <u>w/WAP</u>
Work Assignment Pay (WAP) = \$0 60/hr.	SR-1 SR-2	\$14.93 \$15.09	\$0.06 \$0.06	\$14.99 \$15.15
Add on to hourly rate	SR-3	\$15.25	\$0.06	\$15.31
and paid on all worked	SR-4	\$16.08	\$0.06	\$16.14
hours and vacation.	SR-5 SR 6	\$20.88 \$21.93	\$0.06 \$0.06	\$20.94 \$21.99
		*9/30/03	*9/30/03	*9/30/03
Contract	Rate	2nd Yr.	Year 4	2nd Yr.
Year 4	Code	w/o WAP	3% WAP	w/WAP
Work Assignment Pay	SR-1	\$15.71	\$0.06	\$15.77
(WAP) = \$0.60/hr.	SR-2	\$15.88	\$0.06	\$15.94
Add on to hourly rate	SR-3	\$ 16.05	\$ 0.06	\$16.11
and paid on all worked	SR-4	\$16.92	\$0.06	\$16.98
hours and vacation.	SR-5	\$21.98	\$0.06	\$22.04
	SR-6	\$23.08	\$0.06	\$23.14
		*9/30/04	*9/30/04	*9/30/03
Contract	Rate	1st Yr.	Year 5	1st Yr.
Year 5	Code	w/o WAP	3% WAP	w/WAP
Work Assignment Pay	SR-1	\$15.38	\$0.08	\$15.46
(WAP) = \$0.60/hr.	SR-2	\$15.54	\$0.08	\$15.62
Add on to hourly rate	SR-3	\$15.71	\$0.08	\$15.79
and paid on all worked	SR-4	\$16.56	\$0.08	\$16.64
hours and vacation.	SR-5	\$21.50	\$0.08	\$21.58
	SR-6	\$22.59	\$0.08	\$22.67
		*9/30/04	*9/30/04	*9/30/04
Contract	Rate	2nd Yr.	Year 5	2nd Yr.
<u>Vear 5</u>	<u>Code</u>	w/o WAP	3% WAP	w/WAP
Work Assignment Pay	SR-1	\$16.19	\$0.08	\$16.27
(WAP) = \$0.60/hr.	SR-2	\$16.36	\$0.08	\$16.44
	SR-3	\$16.53	\$0.08	\$16.61
Add on to hourly rate	3K-3			
Add on to hourly rate and paid on all worked	SR-4	\$17.43	\$0.08	\$17.51
Add on to hourly rate			\$0.08 \$0.08 \$0.08	\$17.51 \$22.71 \$23.86

Work Assignment Pay (WAP) is escalated by the general wage increase percentage each year of this agreement and the increase is reflected in Exhibit B above.

* WAP and WAP escalation is subject to discontinuance provisions commencing 9/30/2002.

Laborers will receive SR-4 pay when they are jackhammer operators, power saw operators, tunnel cleaners, mortar mixers, concrete laborers, track laborers and when cleaning Trichlorethylene spills.

Note: The first year rate for new employees is ninety-five percent (95%) of the final rate; the second year rate is one-hunred percent (100%) of the final rate.

Longevity Pay is not included as per contract,
Article IX, Section 9.

MEMORANDUM OF UNDERSTANDING

Sverdrup Technology. Inc., AEDC Group and the Air Engineering Metal Trades Council having completed contract negotiations and entered into a new collective bargaining agreement effective October 1, 2000 and wish to include in the new agreement language outlining the terms and conditions of an alternative health insurance program. The new labor contract included provisions to add this addendum should the parties agree to an alternative health insurance program after the signing of the agreement. The applicable contract language regarding the addendum is as follows:

...Both parties to this agreement shall actively explore alternative health insurance options for all employees. Upon reaching an agreement concerning an alternative health insurance plan, such agreement shall become an addendum to this contract......

The parties agree to the following addendum:

Addendum Aerospace Contractors Trust

Group Health Insurance. The Company, during the term of this Agreement, shall make contributions to the "Aerospace Contractor's Health Insurance Trust," for the purpose of providing group health benefits to eligible employees and their dependents. Eligible plan participants include those employees electing coverage in accordance with the Plan document, eligible dependents, inactive plan participants and others specifically covered as eligible plan participants as defined by the Plan document.

Company Liability. The Company's obligation shall be limited to making the regularly planned contributions to the trust fund in accordance with duly executed enrollment forms by eligible plan participants. Such funding will consist of Company contributions in accordance with Table I, as well as employee deductions for premiums, and other payments made to the Company on the behalf of other eligible plan participants.

7

It shall be the responsibility of the duly appointed trustees of the trust fund to establish and maintain a plan of health benefits for eligible plan participants. The Company liability under the terms of the trust shall be limited to timely payment to the trust fund of both the Company's contribution and the eligible plan participant contribution as deducted from the employee payroll.

Wage Employee Premium Reduction. In addition to the monetary consideration outlined in the Work Assignment Guidelines, Article XIV Section 4a of this agreement, the company will reduce the employees' portion of the medical insurance premium cost as indicated in the following table for the term of this agreement, provided this section is not discontinued by the union.

Table 1: Company and employee contribution percentages

Contract year 2000-2001-	Company 80%	Employee 20%
Contract year 2001-2002-	Company 85%	Employee 15%
Contract year 2002-2003-	Company 90%	Employee 10%
Contract year 2003-2004 -	Company 90%	Employee 10%
Contract year 2004-2005-	Company 90%	Employee 10%

Commencing in fiscal year 2002 through the end of this labor agreement, the company will pay medical insurance premium cost increases of up to three percent (3%) per year at the same company/employee rate as outlined above.

The above percentages are subject to the Right to Discontinue language.

The parties agree that the baseline premium amount from which the three percent (3%) per year premium increase cap will be calculated will be the family and single coverage rates (medical

and dental combined) proposed by the Blue Cross/Blue Shield medical insurance coverage for calendar year 2001 as follows:

Single coverage	
Family coverage	
Baseline	

HMO \$938.00 \$357.10 PPO \$933.08 \$366.95 The parties agree that they will share any increase in premiums in the same employer/employee contribution percentages outlined in Table 1 above, up to three-percent (3%). If the insurance premiums increase more than the three-percent (3%) baseline outlined above, the employee will be responsible for payment of one-hundred percent (100%) of the premiums above the three-percent (3%) cap.

Company Contributions. The Company will contribute to the cost of health benefits for full-time, active personnel electing coverage in accordance with Table 1. The Company will not contribute to the cost of benefits for inactive plan participants unless required by law, this Collective Bargaining Agreement, or Company policy. Active employee contributions will be made through pre-tax payroll deductions.

Agreement

IN WITNESS WHEREOF, this instrument is executed by the authorized representatives of the parties this 23rd day of October, 2000 to be effective the 1rd day of October 2000 through 10:59 p. m. on the 30rd day of September 2005.

ANTERCHERICA METAL TRACES CONCIL

REPORTED TO THE PROPERTY OF THE PROPERTY OF

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